sembcorp

BUILDING A SUSTAINABLE BUSINESS

9TH ANNUAL REPORT 2016-17

THERMAL POWERTECH CORPORATION INDIA LIMITED

Highlights

Generated 9,060 million units of power and served 8.42 million people (at avg per capita of 1,075 Kwh per annum)

Highest PLF achieved is 95.8% in March 2017

2.5 lakh plants planted as part of Green belt development

LTI Free Man Hours from Apr-16 to Dec-16 = 4.414 Million man-hours

LTI Free Man Hours from Jan-17 to Mar-17 = 1.04 Million man-hours

Cumulative training man hours during the financial year is 33,625

Contents

Managing Director's Desk

VIPUL TULI
Managing Director

TPCIL clocked plant availability of ~100% in February and March 2017 and the plant also achieved its best yet PLF (plant load factor) in March 2017

With both Thermal Powertech Corporation India Limited (TPCIL) and Sembcorp Gayatri Power Limited (SGPL) achieving commercial operations, we now have the Nellore complex fully operational. Our Sembcorp Gayatri Power Complex (SGPC) is one of the major thermal power complexes in the country that is also the recipient of the largest foreign direct investment (FDI) in the power sector in India.

Health, safety, and environment (HSE)

TPCIL is committed to providing efficient and safe energy. Our constant endeavour has been to run the operation safely; consequently, the plant witnessed 12 months of safe operation without lost time incidents.

As a part of our continuous effort to build a safe workplace, we have rolled out HEART (HSE Engagement and Reinforcement Team) programme at our Nellore plant. The initiative will aim at sensitising department heads to various challenges and encourage them to be HSE ambassadors in their respective departments.

Financial and commercial performance

That the two units in TPCIL have done well in terms of financial performance, especially at a time when the sector is under quite a bit of pressure, is an achievement by itself.

TPCIL clocked a healthy EBITDA of INR 1366.83 crore for the fiscal. During the period debt refinancing for the plant was also completed successfully. It was closed at very competitive terms given the current tough conditions in India's power market. It will help improve the bottom-line by saving interest cost and improving cash flows.

With 85% power tied up in long-term Power Purchase Agreements (PPAs), TPCIL successfully availed itself of the mega policy benefits, saving us more than INR 784.05 crore in customs duty.

Within one year of its COD*, the 1,320-megawatt supercritical power plant received ISO 9001, ISO 14001 and OHSAS 18001

Best-in-class operations

I am glad to inform TPCIL clocked plant availability of ~100% in February and March 2017 and the plant also achieved its best yet PLF (plant load factor) of 95.8% in March 2017. During the fiscal, TPCIL successfully generated more than 9,059 million units of electricity.

Within one year of its COD*, the 1,320-megawatt supercritical power plant, received ISO 9001, ISO 14001 and OHSAS 18001. This speaks volumes about the capabilities within our organisation as well as our commitment. The report which follows provides more information on the company's performance in a year that saw a challenging business environment.

Community engagement

TPCIL's long-term success in its area of operation rests on being a valued partner with the local communities in Nellore, and we aim to contribute positively to the people in the surrounding villages. Our business plays an important role in supporting their economic development and improving their standard of living. In line with our view on licence to operate, we continue to integrate our business priorities with community aspirations. We strive to enhance the quality of life of the communities in and around our operation by improving healthcare and education, developing infrastructure, generating sustainable livelihood options, as well as promoting sports, art and culture.

Our clean drinking water project is already touching the lives of about 1,150 families in the surrounding villages. Similarly, TPCIL also supported the Nellore district administration in the construction of 667 individual household latrines (IHHLs) under the Prime Minister's Swachh Bharat Abhiyan.

Improving efficiencies and building a sustainable business

Going forward, our focus is to ensure safe operations and make SGPC the most efficient and sustainable thermal complex in the country. To bring about greater efficiency and sustainability at TPCIL, we have adopted five goals to help improve the Bottomline, build Expertise, internalise a culture of Safety at workplace, bring about more Transparency, and encourage Teamwork.

Acknowledgements

I would like to place on record our sincere appreciation to Tang Kin Fei for his guidance and the pivotal role he had played in making both the supercritical power projects in Nellore a reality. His deep understanding and counsel have been instrumental in successfully establishing Sembcorp in India.

On behalf of the Board, I would like to extend a warm welcome to Neil Garry McGregor, who joined us as Additional Director on April 1, 2017, and Comal Ramachandran Gayathri, who joined us as Additional Director on February 17, 2017. Neil is Group President & CEO of Sembcorp Industries. He is a member of the Board's Executive Committee and

Technology Advisory Panel. Comal has served in important positions with the Government of India in the Ministries of Power, Petroleum, Industries, Chemicals & Fertilizers, and Civil Aviation.

I would also like to record our thanks to Atul Mohan Nargund for leading and guiding the team in delivering the TPCIL supercritical power project in Nellore.

I would like to thank our shareholders, Board of Directors, the management team, the Centre and State Governments, the regulators, local communities, our employees, and key contractors for their continued support and co-operation.

Looking ahead, the market is likely to remain challenging. However, with our strong fundamentals, we at TPCIL remain committed to operating our business sustainably and efficiently, thereby creating long-term value for all our stakeholders.

Vipul Tuli
Managing Director

Thermal Powertech Corporation India Limited
A Sembcorp Gayatri Company

* Commercial Operations Date

Company Overview

The Sembcorp Group entered the Indian energy market in 2010 and is one of the biggest foreign investors in India's power sector today

THERMAL POWERTECH CORPORATION INDIA LIMTED (TPCIL)

Thermal Powertech Corporation India Limited (TPCIL) is an independent power generator in SPSR Nellore district in India's Andhra Pradesh state. It owns and operates a 1,320 - megawatt, state-of-the-art coal-fired power plant. Built at a total investment of approximately US $ 1.5 billion, the power plant utilises supercritical technology, which allows for enhanced efficiency and reduced emissions compared to other conventional coal-fired power plants.

Sembcorp owns 86.9 % of TPCIL through its wholly owned subsidiary, Sembcorp Utilities, while Gayatri Energy Ventures, a wholly-owned subsidiary of Gayatri Projects, owns the remaining 13.1%.

SEMBCORP INDUSTRIES LTD.

Sembcorp Industries is a leading energy, water and marine group operating across five continents worldwide. With facilities of about 11,000 megawatts of gross power capacity and close to nine million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world leader in marine and offshore engineering as well as an established brand name in urban development.

The Sembcorp Group entered the Indian energy market in 2010 and is one of the biggest foreign investors in India's power sector today, with more than 3,800 megawatts of thermal and renewable assets in operation and under development in the country. In India, Sembcorp has a balanced portfolio of thermal and renewable assets in operation and under development in seven states. The 2,640-megawatt Sembcorp Gayatri Power Complex in Andhra Pradesh houses two identical supercritical thermal power plants: Thermal Powertech Corporation India, and Sembcorp Gayatri Power. Sembcorp's renewable energy portfolio in India, operated through Sembcorp Green Infra, consists of close to 1200 megawatts of wind and solar power assets in six states across the southern, western and central regions of India.

The Group has total assets of over S$23 billion and employs 8,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI and FTSE indices.

GAYATRI PROJECTS

Gayatri Projects is a Hyderabad-based infrastructure and construction company with a presence across the segment, and with a special focus on road and irrigation projects. It has been executing construction projects across the country over the last 50 years and owns almost all its equipment, enabling optimal cost control.

Its two subsidiaries, Gayatri Infra Ventures (GIVL) and Gayatri Energy Ventures (GEVPL), are the company's asset development arms. GIVL undertakes road development projects and powergeneration projects.

Board of Directors

NEIL GARRY MCGREGOR
Chairman[1]
Appointed on April 1, 2017

Mr. McGregor is Group President & CEO of Sembcorp Industries. He is member of the board's Executive Committee and Technology Advisory Panel. He also sits on the board of Sembcorp Marine, a listed subsidiary of Sembcorp Industries, as a non-executive director.

Mr. McGregor brings to the Board a unique and varied background spanning business, operations and investment in the energy and infrastructure sectors across Europe, USA, Asia and Oceania. His rich international experience includes over a decade spent in Singapore serving markets in the region. Previously, he also headed companies in India and Singapore as CEO, including Singapore LNG Corporation and PowerSeraya Group. Most recently, Mr. McGregor was the Head of Temasek International's Energy and Resources Group, Head of Australia and New Zealand and Senior Managing Director of the Enterprise Development Group.

He is a director on the boards of organisations such as Certis CISCO Security and National University of Singapore's Energy Studies Institute, as well as a fellow of the Singapore Institute of Directors. Mr. McGregor holds a BEng (Honours) from the University of Auckland and an MBA in International Finance from the University of Otago in New Zealand. He also completed the Advanced Management Programme at INSEAD, France.

T V SANDEEP KUMAR REDDY
Vice Chairman[2]
Appointed on April 04, 2008

Mr. T. V. Sandeep Kumar Reddy is associated with the Gayatri Group since its incorporation. He is an eminent industrialist with wide business experience across a variety of industrial sectors. He joined the GPL group in 1989 and is the Managing Director of GPL, the apex body of GPL group and other major Gayatri Group Companies.

As MD of GPL, he leads a brilliant team of professionals and aspires to take India's power generation to even greater heights with indigenous expansion plans and also with a distinct possibility of international co-operation.

He has done his Masters in Construction Engineering and Management from University of Michigan at Ann Arbor, USA and also holds a Bachelor Degree in Civil Engineering from Purdue University.

[1]Mr. Neil Garry McGregor has been appointed as the Chairman of the Board of Directors w.e.f. May 31, 2017.
[2]Mr. T.V. Sandeep Kumar Reddy has been appointed as the Vice Chairman of the Board of the Company w.e.f. July 22, 2016

VIPUL TULI
Managing Director[3]
Appointed on April 17, 2017

Mr. Vipul Tuli is the CEO & Country Head India & Global Head of Strategy at Sembcorp Industries. In his present role, Mr. Tuli is focused upon growth and governance, managing Sembcorp's investments and key stakeholder relationships within India.

Before joining Sembcorp, he was a senior partner with McKinsey & Company, where he worked the energy sector and helped build and lead the Asian energy practice. Mr. Tuli's experience spans power generation, fuel management, upstream oil and gas, refining, marketing and distribution, petrochemicals and speciality chemicals. He has also advised government institutions on issues of energy policy, organisation, industry structure, and regulation.

Mr. Tuli received his MBA from the Indian Institute of Management, Calcutta, and his B. Tech degree in Chemical Engineering from the Indian Institute of Technology New Delhi.

He was appointed as Additional Director on April 17, 2017 and later on appointed as Managing Director of the Company by the Board of Directors at their board meeting held on May 31, 2017.

TAN CHENG GUAN
Director
Appointed on February 11, 2011

Mr. Tan is responsible for business development at Sembcorp Industries and drives the expansion of the Group's energy and water businesses globally. He brings with him broad experience in engineering, strategy, business and project development for the utilities industry. Prior to joining Sembcorp, he spent 12 years in engineering and project management for the oil and gas sector at Brown & Root Far East, and was based in London, Kuala Lumpur and Miri. He also spent three years in Shanghai as Managing Director of Vopak China, overseeing the growth and operations of Vopak's businesses in the country. While at Sembcorp, Mr. Tan pioneered the early development of the Group's Utilities business on Jurong Island and subsequently led the business' expansion into China, India, the UK, the Middle East, Myanmar and Bangladesh. In addition, he drove the acquisition of Sembcorp's renewable energy businesses in China and India, as well as the acquisition of Cascal's international municipal water business.

He holds a Bachelor of Civil Engineering (Honours) degree from the University of Liverpool, UK and completed the Advanced Management Programme at Harvard Business School.

[3]Mr. Vipul Tuli has been appointed as Managing Director of the Company for a period of 5 years w.e.f. May 31, 2017.

Board of Directors

NG MENG POH
Director
Appointed on March 16, 2012

Mr. Ng is responsible for asset management of Sembcorp's Utilities business and also sits on the boards of various companies within the Group.

He has over 30 years of experience in the energy industry and has held both government and private sector appointments. Prior to joining Sembcorp, he was a member of the executive management team of Senoko Power and also spent over a decade at Singapore's Public Utilities Board. In the course of his career, he was actively involved in the restructuring and liberalisation of Singapore's power and gas markets, as well as in negotiations for the import of piped natural gas from Malaysia and Indonesia into Singapore.

Mr. Ng holds a Bachelor of Mechanical Engineering from the National University of Singapore and a Masters of Science in Energy Resources from the University of Pittsburgh, USA. He also completed the Advanced Management Programme at the Wharton School of Business.

D VENKATA CHALAM
Director
Appointed on March 17, 2008

Mr. D Venkata Chalam started his career with AF Ferguson & Co. as a Chartered Accountant and shifted to Asia Brown Boveri Limited. He later moved to Ballarpur Industries Limited and worked at various levels in the Finance Department of the Group and grew to the rank of Deputy General Manager in a span of 8 years. As DGM, he led the Corporate Treasury & Finance Department of the company handling the management of Rs. 2500 Cr for regular business purposes and supported the Group's Vice President (Finance) & CFO.

He is also presently with Capital Fortunes Private Limited, Project Development Partners. As an Executive Director of the Company, he is responsible for strategic growth initiatives, business development and alliance building. Mr. Venkata Chalam has an experience of more than 19 yrs in the area of Project Structuring, Project Development Services, Project Financing, Turnaround Strategies, PPP Modelling, Financial Analysis, Modelling and Risk Evaluation. He has profound expertise in global and Indian trends in privatisation and its models. With his vast experience and know-how of the financial sector, he became a Board Member of SGPL.

TANTRA NARAYAN THAKUR
Independent Director
Appointed on July 30, 2015

Mr. Tantra Narayan Thakur a former member of prestigious Civil Service in India, has more than 40 years of the experience with the government, private and global companies in India, South Asia and SE Asia. Widely acclaimed an innovative professional for setting up and managing businesses, he is also serving as non-executive Member of Board of several companies, including InfraCo Asia Development Pte Ltd and InfraCo Asia Investment Pte Ltd., Singapore.

He led the first electricity trading company in India/South Asia as Chairman & Managing Director during 2000-12. The net worth of this Rs. 60 million company rose to Rs. 24 billion during his leadership and maintained number one position throughout. He led the company diversify into financial services through PTC India Financial Services Limited and co-sponsored the first Energy Exchange (IEX) in India.

He was instrumental for setting up of the first Power Exchange in India and credited with turning around of Power Finance Corporation (PFC), India in one year as Director (Finance & Financial Operations). He launched several debt issues, domestic and international, for PFC very successfully, revamped treasury functions and set up consultancy unit.

Was deputed to UNHCR, Geneva, for performance audit on behalf of UN Board of Auditors. Also served as member of the Prime Minister's Task Force (headed by Dr. C. Rangarajan) on the socio-economic development of Jammu & Kashmir.

COMAL GAYATHRI RAMACHANDRAN
Independent Director
Appointed on Feb 17, 2017

Ms. Gayathri Ramachandran was Special Chief Secretary to the Government of Andhra Pradesh and the Director General of The Environment Protection Training and Research Institute (EPTRI), a leading organization with an accredited laboratory and known for its national and international programs and World Bank and USEPA projects as well as Energia, an organization dedicated to outreach of poor households across the globe.

She has held important positions in the Government of India in the Ministries of Power, Petroleum, Industries, Chemicals & Fertilizers and Civil Aviation. In a career spanning over 36 years, she had held top national and international positions and with the Government of India and the State Government of Andhra Pradesh.

She holds Master's degree in Economics from Delhi University, India and Master's Degree in Development Economics from Williams College, Massachusetts, USA.

Corporate Information

BOARD OF DIRECTORS	
Mr. Neil Garry McGregor	Chairman
Mr. T.V. Sandeep Kumar Reddy	Vice Chairman
Mr. Vipul Tuli	Managing Director
Mr. Tan Cheng Guan	Director
Mr. Ng Meng Poh	Director
Mr. D.V. Chalam	Director
Mr. Tantra Narayan Thakur	Independent Director
Ms. C.R. Gayathri	Independent Director

Chidambaram Iyer	Chief Financial Officer
Sree Nagamani Alluri	Company Secretary

LENDERS	
State Bank of India	SBI
Andhra Bank	AB
Punjab National Bank	PNB
Bank of Baroda	BOB
United Bank of India	UBI
Syndicate Bank	**SB**
Oriental Bank of Commerce	**OBC**
Standard Chartered Bank	**SCB**
The HongKong & Shanghai Banking Corporation India Ltd	HSBC
DBS Bank Ltd	DBS

INTERNAL AUDITORS	
Ernst & Young LLP	The Oval Office, 18 iLabs, Hi-tech City, Madhapur, Hyderabad - 500018
SECRETARIAL AUDITORS	
BS & Company	Company Secretaries, LLP H.No : 5-9-22/71A, MCH No. 250, Adarsh Nagar Colony, Hyderabad
REGISTERED OFFICE	
6-3-1090, 5th Floor, A Block, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Andhra Pradesh - 500082	
SITE OFFICE	
Ananthavaram Village, Varkavipudi Panchayat, TP Gudur Mandal, SPSR Nellore - 524344	
COST AUDITORS	
M/s Narasimhan Murthy & Co	Cost Accountants, 3-6-365, 104 & 105, Pavani Estate, Y.V.Rao Mansion Himayat Nagar, Hyderabad 500029
STATUTORY AUDITORS	
B S R & Associates	Chartered Accountants, LLP Reliance Humsafar, IV Floor, Road No.11, Banjara Hills, Hyderabad 500034

Key Executives

R.R. PILLAI
Site - Director

A NAGESWARA RAO
Head - O&M

RAJESH P ZOLDEO
Chief Commercial Officer

SURESH BABU
Head – Contracts & Procurement

P MURALIDHARAN
HSE Director

CHIDAMBARAM IYER
Chief Financial Officer

SHANKER PRASAD
Head - HR

JITESH PATEL
Head – IT

P. SHANKARNATH
Chief Risk Officer

SRIRAM YALAMATI
Head - CSR & Corporate Relations

K SUNIL KUMAR
Head - Logistics & Shipping

NAGAMANI ALLURI
Company Secretary

O&M Report

TPCIL successfully completed the Station Heat Rate test in both the units as part of partial fulfilment of Telangana Power Purchase Agreement. In the financial year in review, the station generated **9059.39 GWh** of power.

The plant completed and received Certification Audit for ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 in FY 2016-17.

During financial year the Company was successful in firing different types of imported coal's which resulted in keeping the fuel cost under control. It handled as many as 66 shipments of coal, from various sources. Quarterly physical verifications of coal stockpiles were undertaken to ensure that losses were within the norms.

We constituted a Dedicated Reliability Department to further enhance the plant's reliability by identifying the potential risks for reliability and mitigated them by improved by suitable O&M practices and system modifications.

As part of Hazop study conducted internally, the generator hydrogen filling system was relocated and brought into service during the year.

In our continuous bid to run an operation that is sustainable and the team signed off-take agreements with different agencies for fly ash to the tune of 104000MT/month.
During the fiscal Unit 1 clocked 214 days of nonstop running. We successfuly completed planned annual overhauls of both units. We also initiated a total of 56 logistical and 156 structural modifications to further improve the safety, efficiency and reliability of the plant; of these, 31 logistical and 38 structural modifications have been completed and remaining are in various phases of implementation.

As part of our ongoing efforts to provide latest industry knowledge and exposure, we conducted a total number of 36 internal and 44 external training programmes.

	UOM	Station	Unit 1	Unit 2
Total Generation	GWh	9059.39	4949.69	4109.70
Net Export	GWh	8470.57	4616.43	3854.14
PLF	%	78.35	85.61	71.08
Coal Consumption	Metric Ton	4732847	2667033	2065813

Generating Power Sustainably

TPCL complies with the local air emission norms and has introduced a string of measures and initiatives to bring down the environment impact due to emissions

As part of TPCIL's endeavour to generate power in a sustainable manner, the company remains committed to the environment, to the community and towards our people (i.e., employees, shareholders, suppliers and partners).

As part of a responsible global energy company, TPCIL constantly works towards strengthening the structures and processes for environmental performance, engagement with community, as well as our customers and employees.

Health, safety, and environment (HSE)

At TPCIL, we believe it is critical to protect the health and safety of those involved in our operations and to run an operation that is environmentally sustainable. Proactive interventions all through the year enabled us to deliver an incident-free fiscal.

After Stage 1 and Stage 2 audits of the Integrated Management System, TPCIL has been recommended by LRQA for ISO 9001:2015, ISO 14001: 2015 and OHSAS 18001: 2007 certifications.
We recognise that excellence in health and safety in an ongoing journey and remain committed to implementing best practices, complying with the national and international HSE standards. TPCIL remains focused on continuous improvement by quarterly internal auditing of all its functions.

HSE management of contractors

During the year, we routinely organised safety-related training to build capacity for contractors and conducted frequent permit-to-work audits. Despite our best efforts, we regret to report that in January 2017, a lost time incident was reported, entailing an injury on the

fingers of a worker working on a lathe.

HSE compliance

TPCIL maintenance team has addressed 89% of the SAP notifications raised for several priority safety-related issues. We accord top priority to legal compliance and achieved 100% compliance during the FY 2016-17 in HSE domain. We will continue to aim for zero safety and environmental incidents.

Key initiatives

- HSE leadership workshop was conducted. The action points are being addressed appropriately.
- Safe Start 2017 was initiated and implementation is in progress.
- Implementation of 12 lifesaving rules and 10 good safety elements.
- Implementation of Integrated Management System
- Training of the contract employees on job-specific safety.
- Celebration of World Environment Day, National Fire Safety Day and National Safety day.
- HAZOP study for plant process initiated.
- Plantation created around coal stack yard.

Environment

TPCIL recognises its responsibly to manage and reduce the impact on the environment as well as to effectively manage environmental risks apropos to its operation.

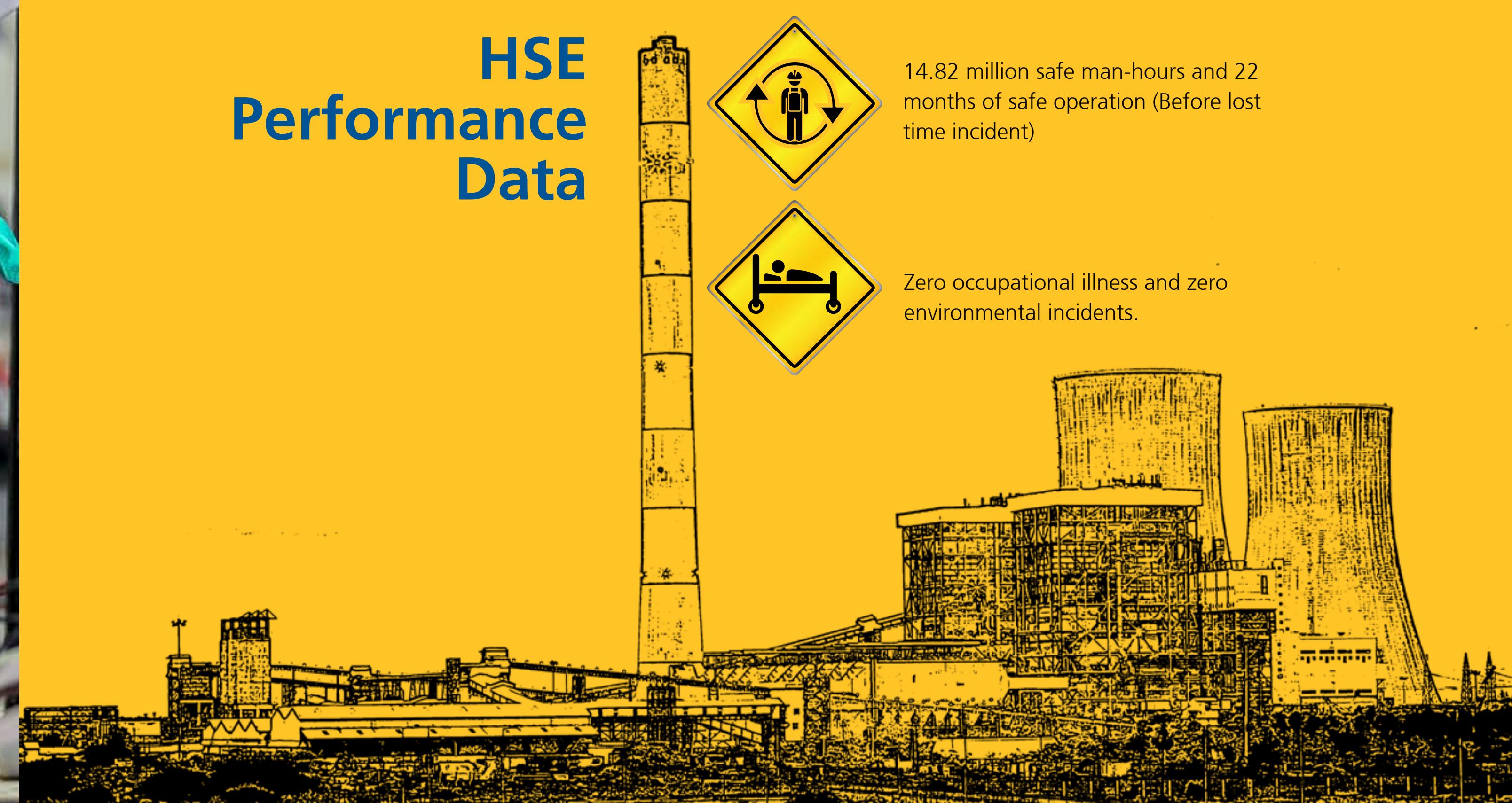
We comply with the local air emission norms and have introduced a string of measures and initiatives to reduce the environmental impact due to emissions. Periodic audits have been undertaken through APPCB*-approved, independent laboratory to check the Ambient Air Quality (AAQ) on the premises and surrounding villages. As per the, reports the AAQ is well within the stipulated limits at all the times.

Green belt development

The Company has been developing a green cover by planting saplings to develop a dense green belt in and around its area of operations.

Spread over 320 acres, the green belt has more than 2.5 lakh plants. About 40 different plant species such as royal palm, palmatte, cypress, areca, bauhinia, conocarpus, the medicinal billa ganneru (Vinca rosea), guayacan wood (Lignum vitae), the ornamental Phoenix spp palm and glory bower (Clerodendrum inerme) are being grown. Plantation in another 70 acres is presently under development. Some 72,500 saplings were planted

HSE Performance Data



14.82 million safe man-hours and 22 months of safe operation (Before lost time incident)

Zero occupational illness and zero environmental incidents.

* Andhra Pradesh Pollution Control Board

during the year, covering 15 varieties. These plants were selected based on eco-suitability and sustainability with environmental merits.

Afforestation-cum-farming models are also being applied in the area for greenbelt development. Fruit-bearing plants like mango, sapota and pomegranate are being planted, with plans for further expansion in future.

A separate Department of Horticulture has been mandated with the development and supervision of this green belt initiative. It is undertaking topiary planting on road dividers, dense tree planting, training of workers in gardening, spraying, pruning and other essential works.

Coal Handling:

In order to control fugitive coal dust emissions from the coal yard, 300 sprinklers has been installed in the SGPC coal yard. In addition, coal stocks are covered with tarpaulin sheets to reduce wind-borne dust emissions.

A thick plantation of Conocarpus erectus (commonly known as button mangrove) is being cultivated all around coal yard to further limit such emissions drifting from the work zone.

Also dust extraction systems have been installed at all strategic transfer points and ash silos to prevent air-borne dust emissions.

Cooling Tower Technology

TPCIL power plant has evaporative natural draft cooling Towers (NDCT) using saline water with the approval from MoEF & CC (Ministry of Environment, Forests and Climate Change) through environmental clearance (EC) and they are operated with the approval of APPCB through the Consent for Operation (CFO).

Further, to ensure any saltwater from drifting away along with evaporated vapour, drift eliminators have been provided to capture the drifts.

These cooling towers work on the principle of natural draft and evaporation of water, which takes the latent heat away, thereby cooling the water.

Human Resources

Human Resources (HR) function plays an instrumental role in securing the future success of TPCIL. It is guided by our long-term vision of working to create an environment where employees can thrive and are enabled to deliver sustainable organisational performance. Specifically, longer-term strategic priorities have been identified for HR -- to apply its human capital expertise to support the business

divisions deliver results; to strengthen its role as a control function for the power plant with respect to human capital risks; and to build the capabilities of managers and staff. In 2016, our HR activities were in line with these priorities.

Various HR systems and processes like the Performance Management System, Learning and Development Processes, Sourcing and Selection were strengthened to achieve the above objectives.

Focus during the year was on sharpening the linkages of individual employee performance goals to organisational goals and making the alignment stronger. Our learning curriculum has been designed to support the entire life cycle of our employees' careers. We have developed in-house training centre accredited by Central Electricity Authority (CEA), Ministry of Power, Government of India, to develop talent to meet our requirement. The HR function was able to accomplish 11,106 training man-hours in TPCIL.

HR deployed Emergenetics tool to help ensure an in-depth understanding of select employees and team members, which in turn translates into increased productivity, effectiveness and delivery of results for manager and above cadres.

Employee engagement programs like sports activities and family get-together were conducted.

In line with the above, TPCIL seeks to retain, develop and continuously foster employees' engagement and motivation. The senior leadership is working towards creating a simpler and agile organisation that will help us move faster, innovate better, and leverage our global scale.

Employee Wellness

At TPCIL, we recognise the impact of wellness on our employees' overall effectiveness. Separate initiatives have been undertaken various times of the year to improve the overall wellbeing of the employees and enhance team bonding.

A range of recreational activities as well as nutrition and stress management programmes were organised to support employees' physical and mental wellbeing.

Corporate Social Responsibility

We have been able to provide clean drinking water to 1,150 families and improve their health and overall quality of life.

At TPCIL, we believe that our operations in Nellore are best placed to understand the needs of the community and build partnerships with local stakeholders. We believe that our operations are making a positive contribution to the surrounding communities and are working towards ensuring social and economic benefit for our stake holders in the region.

In the year under review, TPCIL's presence galvanised the general socio-economic conditions in and around our area of operation. Our social interventions have directly and indirectly benefitted the surrounding community.

In the field of education, through our Akshardaan Project, we ensured that all our employees volunteered to adopt and improve government schools in ourneighbouring villages. Some 662 students from seven government schools are being covered under this programme. Besides imparting soft skills to the children, TPCIL employees are also helping improve the infrastructure of these schools through building repairs, construction of toilets and additional classrooms, providing playground equipment, and the like.

During the year, scholarships and study materials were provided to deserving children from surrounding villages. We also worked on improving the living conditions of 640 students residing at the Muthukur Government Girls' Social Welfare Hostel. Regarding healthcare, we installed four drinking water plants in the surrounding villages and while another at Varigonda village near the SGPC Township is being readied. TPCIL, in partnership with Naandi Community Water Services, maintains these plants and provides clean drinking water to 1,150 families in these surrounding villages, thereby improving their health and overall quality of life.

People in the villages around TPCIL have been receiving free medical consultations and medicines through health camps that are organised in partnership with Narayana Hospitals and Apollo Hospitals.

Through Mana Vooru, Mana Shubratha (a cleanliness drive) programme, our volunteers work with the neighbouring villagers to drive home the message and encourage them to dispose of their garbage in designated areas outside the villages.

TPCIL has also supported the Nellore District administration in the construction of 667 Individual Household Latrines (IHHLs) under the Prime Minister's Swachh Bharat Yojana. Through the Vanam Manam Programme (a green initiative), 4,000 saplings of fruit-bearing trees were distributed and planted in the surrounding villages.

During the year, TPCIL continued its efforts towards ensuring gainful employment to the local villagers and is further working towards establishing entrepreneurship development programmes in the surrounding villages.

Directors’ Report

To
The Members
Thermal Powertech Corporation India Limited

Your directors take pleasure in presenting the Ninth Annual report together with audited Financial Statements for the year ended March 31, 2017.

Material Changes

There are no significant material changes or commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the Company’s financial statements relate.

Financial Highlights

(Amount in Lakhs)

PARTICULARS	2016-17	2015-16
Gross Income	341,355	241,689
Finance Charges & other expanses	313,333	222,924
Provision for Depreciation	35,829	28,724
Net Profit Before Tax	(7807)	(9959)
Current Tax	0	0
Net (Loss)/Profit After Tax	(7807)	(9959)
Balance available for appropriation	-	-
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
(Deficit)/Surplus carried to Balance Sheet	(7807)	(9959)

FY 2016-17 is the first full year of Commercial Operations and the Company has stabilized its operations during the year. The EBIDTA for FY 2017 is Rs 13,668 Million and Profit Before Tax (PBT) is (Rs 781) Million mainly on account of the charging of one time expenses of Rs 1937 Million incurred towards refinancing of the Project Loans.

Dividend

As your Company does not have profits available for distribution, no dividend has been proposed for the financial year 2016-17.

Transfer To Reserves

As your Company has not generated any profits, there is no provision for transfer to Reserves for the financial year 2016-17.

Operations Highlights

The operational highlights during the year are as given below:

- Station has generated 9059.39 GWh during the financial year.
- During the FY, the Company was successful in firing different types of imported coal, which resulted in keeping the fuel cost under control.
- Certification Audit for ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 completed and recommendation received for certification.
- Unit 1 clocked 214 days of nonstop running during the FY
- Annual overhauls of both units successfully completed.
- A total number of 36 internal and 44 external training programmes were conducted.

A Dedicated Reliability Department was formed to enhance the reliability of the plant by identifying potential risks and mitigate them by enhanced O&M practices and system modifications.

Extract of annual return

Extracts of Annual Return as on the financial year ended on March 31, 2017, pursuant to section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014 in prescribed form MGT -9 is annexed as Annexure-I to this report.

Deposits

During the year, the Company has not accepted deposits from the public as defined under the Companies Act, 2013 read with the Companies (Acceptance of Deposit Rules), 2014.

Audit & auditors

Statutory auditor

M/s. BSR & Associates, Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company from the conclusion of the last Annual General Meeting held on September 30, 2016 up to the conclusion of the thirteenth Annual General Meeting, subject to ratification of their appointment by the members of the Company every year in the Annual General Meeting.

The Members of the Company are required to consider the ratification of the appointment of Statutory Auditors from the conclusion of forthcoming Annual General Meeting to the next following Annual General Meeting.

Your directors recommend the ratification of appointment of Statutory Auditors for the proposed period.

Auditors' report

There are no audit comments required to be replied by the Board of Directors.

Reporting of frauds by the auditors

Your Directors inform that auditors of the Company have not reported any offence

of fraud which has been committed or being committed in the Company by its officers and Employees.

Secretarial auditor

Your Directors inform that in accordance with the provisions of section 204(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company shall annex with its Board's report made in terms of sub-section (3) of section 134, a secretarial audit report, given by a company secretary in practice, in the prescribed form.

Pursuant to the above and based on the recommendations of the Audit Committee of the Board, the Board of Directors of the Company in their meeting held on 26 September 2016, appointed M/s BS & Company, Company Secretaries, as Secretarial auditor of the Company for financial year 2016-17. Secretarial Audit Report for the financial year 2016-17 dated August 18, 2017 is annexed to the Directors' Report as Annexure III.

The Secretarial Auditors have commented that during the year under review, the company has fortuitously exceeded the gap of 120 days between the two Board meetings held between May 19, 2016 and September 26, 2016 pursuant to Section 173(1) of Companies Act, 2013. In this connection your Board of directors inform that, during the year the company inadvertently exceeded the maximum gap of 120 days between the two board meetings by 9 days. Your directors have noted the same and assure the members that they will ensure that the gap between two board meetings do not exceed time period prescribed under the Companies Act, 2013 and rules made thereunder.

Cost auditor and cost audit report

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad were appointed as Cost Auditor of the Company for FY 2016-2017 in accordance with the requirement of Central Government and provisions of section 148 of the Companies Act, 2013. The Company duly maintains cost records and carries out an audit of Cost accounts relating to electricity post commencement of Commercial Operations.

Your Directors inform that Mr. T.V. Sandeep Kumar Reddy and Mr. Tan Cheng Guan, Directors of the Company will retire at the forthcoming Annual General Meeting and being eligible, they have offered themselves for the reappointment as Directors of the Company. Your Directors recommend the reappointment of Mr. T.V. Sandeep Kumar Reddy and Mr. Tan Cheng Guan as Directors of the Company retireable by rotation.

Corporate Governance:

Board meetings:

The names and categories of the Directors on the Board and their attendance at Board Meetings during the Financial Year 2016-17 is as follows.

No	Name of the Director	Category of the Director	No. of meetings	No. of meetings participated
1.	Mr. Tang Kin Fei[4]	Non-Executive Director	4	4
2.	Mr. Neil Garry McGregor[5]	Non-Executive Director		NA
3.	Mr. Tan Cheng Guan	Non-Executive Director		4
4.	Mr. Ng Meng Poh	Non-Executive Director		4
5.	Mr. T.V Sandeep Kumar Reddy	Non-Executive Director		4
6.	Mr. D.V Chalam	Non-Executive Director		3
7.	Mr. Atul Mohan Nargund[6]	Managing Director		4
8.	Mr. Vipul Tuli[7]	Managing Director		NA
9.	Mr. P K Singh[8]	Nominee Director		2
10	Mr. V.K Singh[9]	Nominee Director		1
11	Mr. Tantra Narayan Thakur	Non-Executive Independent Director		4
12.	Ms. Madhabi Puri Buch[10]	Non-Executive Independent Director		2
13.	Ms. C.R. Gayathri[11]	Non-Executive Independent Director		1

[4]Mr. Tang Kin Fei resigned as a member of the Board w.e.f. end of the date of March 31, 2017

[5]Mr. Neil Garry McGregor was appointed as an Additional Director on April 01, 2017

[6]Mr. Atul Mohan Nargund resigned from the positions of Managing Director and Member of the Board w.e.f. end of the day of April 16, 2017

[7]Mr. Vipul Tuli joined the SGPL Board as an Additional Director on April 17, 2017. He was later appointed as Managing Director of the Company for 5 years w.e.f. May 31, 2017.

[8]Mr P K Singh has resigned from the position of Nominee Director w.e.f end of January 02, 2017 pursuant to prepayment of existing term loan to PFC

[9]Mr V K Singh has resigned from the position of Nominee Director w.e.f end of March 06, 2017 pursuant to prepayment of existing term loan to REC

[10]Ms. Madhabi Puri Buch resigned a Member of the Board w.e.f. November 21, 2016

[11]Ms. C.R. Gayathri was appointed as an Additional Director under Independent category on February 17, 2017

Four Board Meetings were held during the financial year 2016-17. Dates on which said meetings were held are as follows;

72 Board Meeting	May 19, 2016
73 Board Meeting	September 26, 2016
74 Board Meeting	December 19, 2016
75 Board Meeting	March 01, 2017

Following changes took place in the composition of the Board of Directors of the Company during the financial year 2016-17

S. No.	Date	Changes in Board Composition
1.	May 19, 2016	Mr. Atul Mohan Nargund was appointed as Managing Director w.e.f. May 19, 2016
2.	Nov 21, 2016	Ms. Madhabi Puri Buch resigned a Member of the Board w.e.f. Nov 21, 2016
3.	Feb 17, 2017	Ms. C.R. Gayathri was appointed as an Additional Director under Independent category on Feb 17, 2017
4.	March 31, 2017	Mr. Tang Kin Fei resigned as a member of the Board w.e.f. end of the day of March 31, 2017

Yours Directors inform that Mr. T.V.Sandeep Kumar Reddy and Mr Tan Cheng Guan, Directors of the Company will retire at the forthcoming Annual General Meeting and being eligible, they have offered themselves for the reappointment as Directors of the Company. Your Directors recommend the reappointment of Mr. T.V.Sandeep Kumar Reddy and Mr Tan Cheng Guan as Directors of the Company, retireable by rotation.

Key Managerial Personnel

During the financial year 2016-17, Mr. Atul Mohan Nargund, Chief Executive Officer and Key Managerial Personnel of the Company has resigned with effect from May 18, 2016 as he was proposed to be appointed as Managing Director on the Board of the Company. Accordingly, Mr. Atul Mohan Nargund was appointed as Managing Director and Key Managerial Personnel of the Company in the same meeting for a period of five years w.e.f May 19, 2016.

Declaration from Independent Directors

Your Directors inform that the Independent Directors of the Company have given declarations, confirming that they are not disqualified to act as an Independent Director under any provision of Companies Act, 2013 and rules made there under, or any other law for the time being in force in India.

Re-Appointment of Independent Director

Pursuant to provisions of Section 149(10) and other applicable provisions of Companies Act, 2013, Mr. Tantra Narayan Thakur was originally appointed as Independent Director on the Board of the Company on July 30, 2015 for initial period of 2 years. First term of consecutive 2 years of Mr. T.N. Thakur expired on July 29, 2017. Mr. T.N. Thakur was re-appointed as Independent Director of the Company for further period of 5 years with effect from July 30, 2017.

Committees of the Board

Audit & Risk Committee of Directors

Composition of the Audit & Risk Committee of the Board is as follows:

S. No.	Members	Designation
1	Mr. Tantra Narayan Thakur	Chairman & Independent Director
2	Ms. C.R. Gayathri	Member & Independent Director
3	Mr. D.V. Chalam	Member

During the period under review, five meetings of the Audit & Risk Committee were held on May 18, 2016, Sep 01, 2016, Dec 05, 2016 and Feb 22, 2017.

The Management is responsible for the Company's Internal Control over financial reporting and financial. The Independent Auditors are responsible for performing an independent audit of the Company's Financial Statements in accordance with the Generally Accepted Auditing Principles and for issuing a report thereon. The Committee's responsibility is to monitor these processes. The Committee is also responsible for overseeing the processes related to financial reporting and information dissemination. This is to ensure that the financial statements are true, fair and sufficient and credible.

All recommendations made by the Audit Committee during the year were accepted by the Board.

The Committee also reviews the internal control over financial reporting put in place to ensure that the accounts of the Company are properly maintained and the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the Company's internal control over financial reporting.

The Company has established a mechanism for directors and employees to report concerns about the unethical behaviour, actual or suspected fraud, or violation of our Code of Business Conduct.

It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. We confirm that no director or employee has been denied access to the audit committee during the year.

Nomination & Remuneration (NRC) Committee of Directors

Nomination & Remuneration Committee of the Board comprises of two Independent Directors and two Non-Executive Directors as given below;

S. No.	Members	Designation
1	Mr. Tan Cheng Guan	Chairman
2	Mr. Tantra Narayan Thakur	Member
3	Ms. C.R. Gayathri	Member
4	Mr. T.V. Sandeep Kumar Reddy	Member

The primary purpose of the NRC is to support and advise the Company on the remuneration matters and leadership development of the company.
The Company is in compliance with applicable provisions under the Companies Act, 2013 relating to appointment of Directors and at present no remuneration is being paid to any of the Directors and suitable policy on the same would be considered as and when required by the Company.

The Nomination and Remuneration Committee of the Board met once during the financial year on July 20, 2016.

Evaluation of Board Members

In terms of the requirement of the Companies Act, 2013 an annual performance evaluation of the Board was undertaken. During the year, the Board undertook the process of evaluation through Board approved procedure and through pre-designed Evaluation Forms. The Board had, during the year, opportunities to interact and make an assessment of it's functioning as a collective body. In addition, there were opportunities for Committees to interact, for Independent Directors to interact amongst themselves and for each Independent Director to interact with the Chairman. The Board found there was considerable value and richness in such discussions and deliberations. The Board Evaluation discussion was focused around how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was appraised of the business issues and the related opportunities and risks.

The Board Evaluation includes various aspects of the functioning of the Board and its Committees such as structure, composition, meetings, functions and interaction with Management and what needs to be done to further improve the effectiveness of the Board's functioning. Additionally, during the evaluation, the Board also focused on the contribution being made by the Board as a whole, through Committees and discussions on a one on one basis with the Chairman.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board that were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the period.

Corporate And Social Responsibility (CSR) Committee

Corporate Social Responsibility (CSR) is a Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-Government organizations, local communities, environment and society at large.

Our CSR Committee consists of one Independent Director and two Non-Executive Directors as on March 31, 2017 as given below;

S. No.	Members	Designation
1	Mr. Tan Cheng Guan	Chairman
2	Mr. T.V. Sandeep Kumar Reddy	Member
3	Mr. Tantra Narayan Thakur	Member

The CSR Committee was set up to formulate and monitor CSR Policy of the Company. The objective of CSR policy is to ensure that the families living in the proximity to the Project improve their standards of living, earning capacity and production levels through a process in which they participate through their own social and cultural institutions. The CSR Policy is developmental and participatory in nature with emphasis on ensuring that development in the area fosters full respect for their dignity, human rights and cultural uniqueness.

The CSR Committee is also responsible for overseeing the CSR activities, programs and execution of various initiatives.

The CSR Committee of the Board met once during the financial year on March 28, 2017.

Separate Independent Directors' Meetings

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives.

The Independent Directors met on March 28, 2017 during the financial year and inter alia have considered and evaluated:

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
- Other matters arising out of Board / Committee(s) deliberations.

In addition to these formal meetings, interactions outside the Board meetings also take place between the Chairman and Independent Directors

Directors Responsibility Statement

Pursuant to Section 134(3)(5) of the Companies Act, 2013 and to the best of their knowledge and information provided, your directors confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation to material departures;

b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the financial year 2016-17.

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

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

e) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

A. Conservation of Energy

TPCIL has recognized the importance of energy conservation and a dedicated 'Performance Monitoring Department' has been set up to focus on reducing energy consumption, heat loss management and monitoring energy consumption pattern across the process.

Periodic energy audits are conducted to identify and improve energy performance and for benchmarking with other plants.

a. Initiatives for improvement of heat rate and auxiliary power consumption(2016-17)

1. Around 1% reduction in Auxiliary power was achieved through various in house initiatives and operational optimization.
2. Opportunities for Heat Rate reduction were identified and implemented ,through process optimization and attending gaps identified, resulting 26 Kcal/KWH saving

B. Technology absorption

1. TPCIL had successfully integrated with GAM Centralized control room at Singapore. This will facilitate centralized monitoring of various BUs at a centralized location by a group of experts.
2. Remineralization system installation and commissioning for service water through in house efforts. Costing saving of 50 MINR capex achieved

C. Foreign Exchange Earnings and outgo

Foreign Exchange Earnings - Nil
Foreign Exchange Outgo - INR 58,91,70,452

Particulars of employees

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure-IV** attached to this Report.

Particulars Of Loans, Guarantee Or Investments Under Section 186

The Directors inform that during the financial year under review, the Company has not, whether directly or indirectly, given any loan to any person or other body corporate, given any guarantee or provided security in connection with a loan to any other body corporate or person or acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

Risks and Concerns

Enterprise Risk Management

Managing Risk is an integral part of our business activity. As an entity with domestic and international stakeholders, TPCIL is exposed to risks as well as opportunities in equal measure. Considering this, the Company has developed a robust Enterprise Risk Management (ERM) framework which will be implemented duly, to ensure that we have an effective and practical approach to mitigate risks for sustainable results. By identifying and proactively addressing risks and opportunities, stakeholder value is protected at all times.

Enterprise Risk Management Framework:

Overview

Enterprise Risk Management (ERM) in the Company includes the methods and processes used by organization to manage risks and seize opportunities related to the achievement of company's objectives.

Purpose

To Identify risks in time which have the potential effect on company's business or corporate standing or growth and manage them by calibrated action with reference rating of the risks through a structured responsibility and authority matrix which is under progress.

Supporting Key Policies and Procedures

Under ERM framework various supporting policies and procedures have been implemented that provides detailed guidelines in management of the major risks. Adherence to polices are regularly monitored and any breach is timely notified to the higher management for taking appropriate measures.

Risk management structure

The risk management structure spans across the enterprise at all levels. These levels also form the various lines of defense in our risk management.

The key roles and responsibilities regarding risk management in the Company are summarized below:

Levels	Key roles and responsibilities
Board of Directors	• Corporate governance oversight of risk management performed by the Executive Management
	• Review of the proposals by Audit Risk Committee
Audit & Risk Committee (ARC)	• Assisting the Board in fulfilling its corporate governance oversight responsibilities with regard to identification, evaluation and mitigation of operational, strategic and external environment risks • Review the adequacy of the Company's internal financial controls, operational and compliance (legal, regulatory and company policies) controls and risk management policies and systems established by the Management • Reviewing and approving risk-related disclosures
Chief Risk Officer (CRO)	• Providing updates to ARC and the Board from time to time on the enterprise risks and actions taken
Risk Management Team	• Comprises the network of risk managers led by Chief Risk Officer (CRO) of TPCIL • Facilitating the execution of risk management practices in the enterprise as mandated, in the areas of risk identification, assessment, monitoring, mitigation and reporting • Working closely with owners of risk in deploying mitigation measures and monitoring their effectiveness. • Reviewing enterprise risks from time to time, initiating mitigation actions, identifying the owners and reviewing the progress and effectiveness of mitigation actions • Formulation and deployment of risk management policies • Deploying practices for the identification, assessment, monitoring, mitigation and reporting of risks
Risk Owners	• Responsible for managing their functions as per the Company risk management philosophy • Responsible for managing risks associated to the decisions relating to their unit or area of operations
Risk Champions	• Adhering to risk management policies and procedures • Implementation of prescribed risk mitigation actions • Reporting risk events and incidents in a timely manner

Risk categories

The following broad categories of risks have been considered in our risk management framework

Governance Assurance Framework:

Internal Controls

The Company has adopted Governance Assurance Framework that is integrated with its ERM framework, under which a logical and systematic approach is used to identify, assess, measure, treat and monitor key risk.

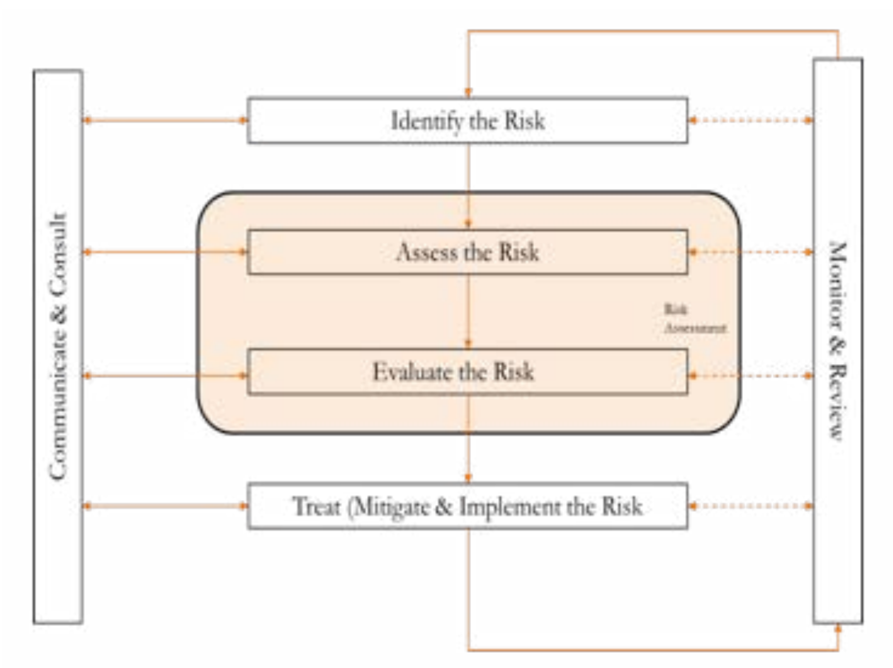
The Company's assurance framework focuses on Policy Management/Business Governance and Management Assurance as first and second line of defense to establish risk management and control

Category	Risk	Definition
Strategic	Competition	Risk of inability to successfully compete with other domestic / local and international players.
	Concentration	Risk of over emphasis on a single counterparty (e.g. customers, financial institutions, suppliers) which is unable to meet their contractual obligations.
	Political	Risk of adverse impact arising from political instability.
	Economic	Risk of adverse impact arising from economic downturn, severe inflation / deflation or tightening of foreign currency control policies.
	JV Partner	Risk of breakdown / disagreement between shareholders in joint venture agreements.
Financial	Market	Risk of adverse fluctuations in FX and commodity prices.
	Capital / Liquidity	Any adverse impact on P&L account.
Operational	Operational & HSE	Operations: Risk of unplanned shutdown or disruptions to operations. HSE: injuries / fatalities to personnel.
	Crisis management	Risk of failure to respond in an accurately and in a timely manner to queries and concerns of media, investors and the public.
	Human Resources	Risk that the company's is not staffed with an optimum number of resources with the right capabilities and competencies for the job positions / scopes.
	Information Technology	Risk of disclosure of proprietary and sensitive company information as a result of IT security breakdown
Compliance	Regulatory	Risk of non-compliance with or violations of regulatory and reporting requirements.
	Fraud	Risk of significant fraud relating to financial reporting, corruption & bribery activities.

The Company has adopted Governance Assurance Framework that is integrated with its ERM framework, under which a logical and systematic approach is used to identify, assess, measure, treat and monitor key risk.

The Company's assurance framework focuses on Policy Management/Business Governance and Management Assurance as first and second line of defense to establish risk management and control environment to operate within the parameters of policies.

Our risk management approach and practices continued to focus on minimizing the adverse impact of risks on our business objectives and to enable the Company to leverage market opportunities.



environment to operate within the parameters of policies.

Whistle Blow Policy

The Whistleblowing Policy provide a reliable avenue for persons to report any wrongdoings including suspected violation of the Company's Code of Business Conduct or any applicable law or policy without fear of reprisals when whistleblowing in good faith and ensure that arrangements are in place to facilitate independent investigation of the reported concern and for appropriate follow up actions to be taken.

The effective implementation of this Whistleblowing Policy is overseen by the Audit and Risk Committee. The Audit and Risk Committee is assisted by the Investigation Owner(s), the Whistleblowing Committee and Internal Audit when investigating a reported issue and taking follow up action.
The Whistleblowing Policy applies to all persons, including Employees (i.e. the Board of Directors, officers, full-time/ part-time/ permanent/ contract employees) working for TPCIL.

Prevention Of Sexual Harassment Of Women At The Workplace

Your Company is an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear or prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company, have the right to be treated with dignity. Sexual harassment at the work place or other than work place if involving employees is a grave offence and is, therefore, punishable. The Company has implemented a policy to ensure that no employee is subjected to sexual harassment at the workplace in accordance with the applicable laws.

RELATED PARTY CONTRACTS

Disclosures of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are annexed to this report as Annexure II in prescribed form AOC -2.

Acknowledgement

The directors thank the Company's employees, customers, vendors, investors and lenders for their continuous support. The directors also thank the government of various countries, government of India, the governments of various states in India and concerned government departments / agencies for their co-operation.

For and on behalf of the Board

Vipul Tuli
Managing Director
(DIN: 07350892)

T.V. Sandeep Kumar Reddy
Vice Chairman
(DIN: 00005573)

Place: Hyderabad
Date: September 13, 2017

Annexures to Directors' Report

ANNEXURE 1

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2017

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

I. Registration And Other Details:

CIN	U40103TG2008PLC057031
Registration Date	08/01/2008
Name of the Company	Thermal Powertech Corporation India Limited
Category / Sub-Category of the Company	Company Category – Company Limited by Shares Company Subcategory – Indian Non-Government Company
Address of the Registered office and contact details	6-3-1090, 5th Floor, A Block, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana - 500082 Tel +91 40 4904 8375 Fax +91 40 2337 0360
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate Investments Pvt. Limited 12-10-167, Bharat Nagar, Hyderabad 500 018 Tel +91 40 2381 8475 Fax +91 40 2386 8024

ii. Principal business activities of the company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Generation and Transmission of electricity: Coal based thermal power plant	351- Electric power generation, transmission and distribution	100%

iii. Particulars of holding, subsidiary and associate companies;

SL. No	Name and address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.	Sembcorp Utilities Pte Ltd 30 Hill Street, #05-04, Singapore, 179360 Singapore	Foreign Company 197300648H	Holding Company	86.87%	Section 2 (46) and 2(87)(ii)
2.	TPCIL Singapore Utilities Pte Ltd 30 Hill Street, #05-04, Singapore, 179360 Singapore	Foreign Company 201434377G	Subsidiary Company	100%	

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

I) category-wise share holding

Category of Shareholders	No. of Shares held at the beginning of the				No. of Shares held at the end of the year				% Change
	Demat	Physical	Total	%	Demat	Physical	Total	%	
A. Promoters (1) Indian									
Individual/HUF	-	700	700	0	-	700	700	0	
Bodies Corporate	5015974	23,65,99,300	24,16,15,274	16.31	50,15,974	23,65,99,300	24,16,15,274	13.13	22.98
(2) Foreign									
Bodies Corporate	1240214762	-	1240214762	83.69	1598299574	-	1598299574	86.87	3.18
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	1245230736	236600000	1481830736	100.00	1603315548	236600000	1839915548	100.00	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1245230736	236600000	1481830736	100.00	1603315548	236600000	1839915548	100.00	-

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged	No. of Shares	% of total Shares	% of Shares Pledged	
1	M/S Gayatri Energy Ventures Pvt. Ltd	24,16,15,274	16.31	15.97	24,16,15,274	13.13%	-	-3.18
2	Mr. G Siva Kumar Reddy (Nominee of Gayatri Energy Ventures Pvt. Ltd)	100	-	-	100	0.00%	-	-
3	Mr. T V Sandeep Kumar Reddy (Nominee of Gayatri Energy Ventures Pvt. Ltd)	300	-	-	300	0.00%	-	-
4	Ms. Sarita Reddy (Nominee of Gayatri Energy Ventures Pvt. Ltd)	100	-	-	100	0.00%	-	-
5	Ms. Indira Subbarami Reddy (Nominee of Gayatri Energy Ventures Pvt. Ltd)	100	-	-	100	0.00%	-	-
6	Mr. Brij Mohan Reddy (Nominee of Gayatri Energy Ventures Pvt. Ltd)	100	-	-	100	0.00%	-	-
7	M/s Sembcorp utilities Pte Ltd	1,24,02,14,762	83.69	74.50	1,59,82,99,574	86.87%	35	3.18
	Total	**1,48,18,30,736**	**100**	**90.46**	**1,83,99,15,548**	**100.00%**	**35**	**-**

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

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1481830736	100%	1481830736	100%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.	Details have been annexed as 'Schedule of changes in Promoter's Shareholding'			
At the End of the year	**1839915548**	**100%**	**1839915548**	**100%**

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	M/S Gayatri Energy Ventures Pvt. Ltd	241615274	16.31	241615274	13.13
2.	M/s Sembcorp utilities Pte Ltd	1240214762	83.69	1598299574	86.87
3.	Mr. T V Sandeep Kumar Reddy (Nominee of Gayatri Energy Ventures Pvt. Ltd)	300	0	300	0
4.	Ms. Sarita Reddy (Nominee of Gayatri Energy Ventures Pvt. Ltd)	100	0	100	0
5.	Ms. Indira Subbarami Reddy (Nominee of Gayatri Energy Ventures Pvt. Ltd)	100	0	100	0
6.	Mr. Brij Mohan Reddy **(Nominee of Gayatri Energy Ventures Pvt. Ltd)**	100	0	100	0
7.	**Mr. G Siva Kumar Reddy (Nominee of Gayatri Energy Ventures Pvt. Ltd)**	**100**	**0**	**100**	**0**
	Total	**1481830736**	**100**	**1839915548**	**100.00**

(v) Shareholding of Directors and Key Managerial Personnel:

1. Mr T.V. Sandeep Kumar Reddy, Nominee Shareholder of Gayatri Energy Ventures Private Limited (GEVPL)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	300	0.00%	300	_
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	NA	Nil	NA
3.	At the End of the year	300	0.00%	300	0.00%

Note: 300 Equity Shares of the Company are held by Mr T.V. Sandeep Kumar Reddy, Director, as a Nominee Shareholder of GEVPL. Apart from Mr Sandeep, no other Director/Key Managerial Personnel hold any shares of the Company.

V. Indebtedness

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

For Each of the Top 10 Shareholders	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	80,41,76,93,533			80,41,76,93,533
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	55,37,61,808			55,37,61,808
Total (I + ii + iii)	80,97,14,55,341	-	-	80,971,455,341
Change in Indebtedness during the financial year				
Addition	1,19,66,14,14,335	-	-	119,661,414,335
Reduction	-38,73,44,120			-38,73,44,120
Net Change	-1,19,85,04,04,786	-	-	(119,850,404,786)
Indebtedness at the end of the financial year	5,07,43,199			50,743,199
i) Principal Amount	-55,37,61,808			-55,37,61,808
ii) Interest due but not paid	-1,07,93,53,180	-	-	(1,079,353,180)
iii) Interest accrued but not due				
Total (i+ii+iii)	79,84,13,58,962			79,84,13,58,962

Vi. Remuneration of directors and key managerial personnel

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

Sl. no	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Atul Mohan Nargund, Managing Director	NA	NA	NA	
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
6	Total (A)	-	-	-	-	-
7	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

S. No.	Name of the Director	Particulars of Remuneration	Fees for attending Board/ Committee Meetings	Commission	Others, Please specify	Total Amount
1.	Mr. T,N. Thakur, Independent Director	Sitting Fees	11,00,000	-	-	11,00,000
2.	Ms. Madhabi Puri Buch*, Independent Director	Sitting Fees	5,00,000	-	-	5,00,000
3.	Ms. C.R. Gayathri,** Independent Director	Sitting Fees	2,00,000	-	-	2,00,000
4.	Other Non-Executive Directors	Other Non-executive Directors have not been paid any remuneration during the financial year 2016-17				

*** Resigned w.e.f. November 21, 2016**
****Appointed w.e.f. February 17, 2017**

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD - details annexed as annexure iv

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There are no penalties, punishment or compounding fee imposed by any statutory authority/ court against the Company, or its Directors or the officers in default as defined under the Companies Act, 2013.

VIII. SCHEDULE OF CHANGES IN PROMOTER'S SHAREHOLDING

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.

Shareholding Pattern prior to Transfer/ Allotment		Date of allotment/ transfer	Particulars	Number of Shares Allotted transferred	Shareholding Pattern After the Transfer/ Allotment	
Name of the shareholder	Number of shares held				Name of the shareholder	Number of shares held
Sembcorp Utilities Pte Ltd	1240214762	29.04.2016	Allotment in favor of Sembcorp Utilities Pte Ltd	358084812	Sembcorp Utilities Pte Ltd	1598299574
Gayatri Energy Ventures Pvt Ltd	236599300				Gayatri Energy Ventures Pvt Ltd	236599300
TV. Sandeep Kumar Reddy (Nominee of GEVPL)	300				TV. Sandeep Kumar Reddy (Nominee of GEVPL)	300
T. Indira Subbarami Reddy (Nominee of GEVPL)	100				T. Indira Subbarami Reddy (Nominee of GEVPL)	100
G. Siva Kumar Reddy (Nominee of GEVPL)	100				G. Siva Kumar Reddy (Nominee of GEVPL)	100
T. Sarita Reddy (Nominee of GEVPL)	100				T. Sarita Reddy (Nominee of GEVPL)	100
J. Brij Mohan Reddy (Nominee of GEVPL)	100				J. Brij Mohan Reddy (Nominee of GEVPL)	100
Total	1481830736				Total	1839915548

ANNEXURE 2

Form No. AOC.2

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

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

I. Details of contracts or arrangements or transactions not at arm's length basis : NIL
II. Details of contracts or arrangements or transactions at arm's length basis:

1. Approval for sharing and paying 50% of the lease expenses for office space being used by the company from january 2016 to deep corporation private limited on the similar terms and conditions of the existing lease agreement entered by TPCIL

Sl No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	M/s Deep Corporation Private Limited
b)	Nature of contracts/ arrangements/ transactions	Lease of Premises
c)	Duration of the contracts/ arrangements/ transactions	Upto August 31, 2019
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Upto Per square feet @Rs. 60.10 net of taxes with escalation of 7% per year on last rent paid after every 12 months.
e)	Date(s) of approval by the Board, if any:	19-May-16
f)	Amount paid as advances, if any	Maximum of 6 Months' Rent as Advance

2. Appointment of M/s Gayatri Projects Limited (GPL) as Service Provider for operationalizing New Telangana Long Term Power Purchase Agreement

Sl No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	M/s Gayatri Projects Limited
b)	Nature of contracts/ arrangements/ transactions	Consultancy Services for One year
c)	Duration of the contracts/ arrangements/ transactions	One year
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	@ 3p/kWh to be paid on monthly basis post receipt of revenues from TG DISCOMs
e)	Date(s) of approval by the Board, if any:	19-May-16
f)	Amount paid as advances, if any	NIL
	Amount paid as advances, if any	NIL

3. Approval to pay Corporate Guarantee Fees upto 1.5% p.a excluding Taxes to Sembcorp Utilities Pte Ltd for 5.5 years against ECB being availed by the Company

Sl No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	M/s Sembcorp Utilities Pte Ltd (SCU)
b)	Nature of contracts/ arrangements/ transactions	Corporate Guarantee Fee of upto 1.5% p.a (exclusive of taxes) upto 5.5 years against the ECB being availed by the company upto USD 246 Million solely against the corporate Guarantee issued by SCU
c)	Duration of the contracts/ arrangements/ transactions	Upto 5.5 years from October 2016
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Guarantor for ECB Loan
e)	Date(s) of approval by the Board, if any:	26-Sep-16
f)	Amount paid as advances, if any	Nil

4. Approval of appointment of M/s Gayatri Projects Limited as an agency to manage the local issues at site.

Sl No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	M/s Gayatri Projects Limited
b)	Nature of contracts/ arrangements/ transactions	Appointment as Agency to manage the local issue at the project site of the Company
c)	Duration of the contracts/ arrangements/ transactions	For the Financial Year 2016-17
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs. 0.50 crore excluding service tax and other applicable taxes
e)	Date(s) of approval by the Board, if any:	26-Sep-16
f)	Amount paid as advances, if any	Nil

ANNEXURE 3

Form No. MR-3

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

Secretarial Audit Report

For the financial year ended 31st March, 2017

To,
The Members,
Thermal Powertech Corporation India Limited
Hyderabad

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and relied on the information provided by the management and its officers for the financial year ended on 31st March, 2017 according to the provisions of:

(1) (The Companies Act, 2013 (the Act) and the rules made there under;

(2) The Depositories Act, 1996 and the regulations and bye-laws framed there under;

(3) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;

(4) The Company has identified the following Acts specifically applicable to the Company:

- i. The Environment Protection Act, 1986;
- ii. The Water (Prevention and Control of Pollution) Cess Act, 1977;
- iii. The Air (Prevention and Control of Pollution) Act, 1981;
- iv. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- v. The Batteries (Management & Handling) Rules, 2001
- vi. The Bio-Medical Waste Management Rules, 2016
- vii. The E-Waste (Management) Rules, 2016
- viii. The Boilers Act, 1923;
- ix. The Explosives Act, 1884 read with Gas Cylinders Rules, 2016
- x. The Petroleum Act, 1934 read with Petroleum Rules, 2002
- xi. The Electricity Act, 2003;
- xii. The Factories Act, 1948
- xiii. The Industrial Employment (Standing Orders) Act, 1946

(5) The Company has identified the following laws, Regulations, Guidelines, Rules etc, as applicable to the Company:

- i. The Minimum Wages Act, 1948
- ii. The Payment of Wages Act, 1936
- iii. The Employees Provident Funds & Miscellaneous Provisions Act, 1952
- iv. The Payment of Gratuity Act, 1972
- v. The Apprentice Act, 1961
- vi. The Contract Labour (regulation & Abolition) Act, 1970
- vii. The Andhra Pradesh Factories and Establishments (National Festival and other Holidays) Act, 1974
- viii. The Andhra Pradesh Labour Welfare Fund Act, 1987
- ix. The Andhra Pradesh Labour Welfare Fund Act, 1987
- x. The Maternity Benefit Act, 1961
- xi. The Employees Compensation Act, 1923
- xii. The Public Liability Insurance Act, 1991
- xiii. The Equal Remuneration Act, 1976
- xiv. The Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987
- xv. The Telangana Tax on Professions, Trades, Callings and Employments Act, 1987
- xvi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- xvii. The Telangana Shops and Establishments Act, 1988;

We have also examined compliances with the applicable clauses of Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India (ICSI).

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

Under Companies Act, 2013:

1. During the year under review, the company has fortuitously exceeded the gap of 120 days between the two Board meetings held on 19.05.2016 and 26.09.2016 pursuant to Section 173(1) of Companies Act, 2013.

We further report that

a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

c. During the period under review, resolutions were carried through majority. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meeting held during the period under review.

d. Based on the information, documents provided and the representations made by the Company, its officers during our audit process and also on review of the compliance reports of the Company Secretary taken on record by the Board of Directors of the Company periodically, in our opinion , there are adequate systems and processes exists in the Company to commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

e. The compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by us since the same have been subject to review by statutory auditors and other professionals.

We further report that following were the major events during the audit period:

1. Allotment of 35,80,84,812 equity shares to Sembcorp Utilities Pte Ltd.
2. Appointment of Mr. Atul Mohan Nargund as a Managing director
3. Resignation of Mr. Koh Chiap Khong as a director.
4. Resignation of Ms. Madhabi Puri Buch as an Independent Director
5. Appointment of Ms. Comal Gayatri Ramachandran as an Independent Director
6. Withdrawal of nomination of Mr. PK Singh as a nominee director by Power Finance Corporation Limited
7. Withdrawal of nomination of Mr. VK Singh by Rural Electrification Corporation Limited

(

For BS & Company Company Secretaries LLP
Formerly BS & Company, Company Secretaries)

Date: 18.08.2017
Place: Hyderabad

K.V.S. Subramanyam
Designated Partner
FCS No. 5400
C P No.: 4815

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

To,
The Members,
Thermal Powertech Corporation India Limited
Hyderabad.

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of applicable laws, rules and regulations etc.

5. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, secretarial standards issued by ICSI is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/ Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment Laws and Data protection policy.

8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BS & Company Company Secretaries LLP
(Formerly BS & Company, Company Secretaries)

Date: 18.08.2017
Place: Hyderabad

K.V.S. Subramanyam
Designated Partner
FCS No. 5400
C P No.: 4815

Auditors' Report

B S R & Associates
Chartered Accountants
8-2-618/2, Reliance Humsafar, IV Floor, Road No.11, Banjara Hills,
Hyderabad - 500 034
Tel: +91 40 3046 5000. Fax : +91 40 3046 5299

Independent Auditors' Report

To The Members of THERMAL POWERTECH CORPORATION INDIA LIMITED

Report on the Standalone Indian Accounting Standards ('Ind AS') Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Thermal Powertech Corporation India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the standalone financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs Company as at 31 March 2017, and 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the said 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, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; to this report and

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 as at 31 March 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 2.31 to the standalone Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

(iv) The Company has provided requisite disclosures in Note 2.9 to these standalone Ind AS financial statements as to the holdings of Specified Bank Notes on 8 November 2016 and 30 December 2016 as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For **B S R & Associates, LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Hemant Maheshwari
Partner
Membership Number: 096537

Date: 31 May 2017
Place: Hyderabad

Annexure "A" to the Independent Auditors' Report on the Standalone Ind AS financial statements

With reference to, Annexure A in the Independent Auditor's Report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has not defined the frequency of physical verification of fixed assets. As explained to us, the Company is in the process of deciding on the frequency of such physical verification. No physical verification of fixed assets was carried out during year, however, all the fixed assets were physically verified during the previous year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, read together with Note 2.1 to the standalone Ind AS financial statements, the title deeds of immovable properties are held in the name of the Company.

ii. The inventories, except materials-in-transit, has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (the "Act"). Therefore, the provisions of sub clause (a), (b) and (c) of paragraph 3 (iii) of the said Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.

v. The Company has not accepted any deposits from the public. Therefore, the provision of Clause 3(v) of the said Order is not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and the Cost Accounting Records (Electricity Industry) Rules, 2011, prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, works contract tax, duty of customs, value added tax, sales tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the provisions of employee's state insurance are applicable to the Company however, the due date for registration extended up to 30 June 2017. As explained to us, the provisions of duty of excise and cess are not applicable to the Company.

According to the information and explanations given to us, there are no undisputed amount payable in respect of provident fund, income-tax, service tax, works contract tax, duty of customs, value added tax, sales tax and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) A¬ccording to the information and explanations given to us, there are no dues of service tax, value added tax, sales tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income-tax have not been deposited by the Company on account of disputes (please refere Table no. 1)

As explained to us, the Company did not have any dues on account of duty of excise and cess.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to its bankers or to any financial institutions as at the Balance Sheet date. The Company did not have any outstanding debentures or borrowings from government during the year.

Table No. 1

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Tax and Interest	5,89,50,970 (29,475,485)*	Assessment year 2012 – 2013	Income Tax Appellate Tribunal
Income-tax Act, 1961	Tax and Interest	6,99,74,540	Assessment year 2013 – 2014	Commissioner of Income- tax
Income-tax Act, 1961	Tax and Interest	11,86,63,530 (17,799,530)*	Assessment year 2014 – 2015	Commissioner of Income-tax

*The amount in parenthesis represents amount paid under protest.

ix. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). According to the information and explanations given to us, the Company has applied the term loans for the purpose for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. According to the information and explanations given to us and based on our examination of the records, the Company has not paid or provided for managerial remuneration during the year under audit.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions of Clause 3(xii) of the said Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, preferential allotment or private placement of shares during the year are in compliance with Section 42 of the Act. The amount received have been used for the purposes for which the funds were raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, reporting under Clause 3(xv) of the said Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the said Order are not applicable to the Company.

For **B S R & Associates, LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Date: 31 May 2017
Place: Hyderabad

Hemant Maheshwari
Partner
Membership Number: 096537

Annexure "B" to the Independent Auditors' Report on the Standalone Ind AS financial statements

(With reference to, the Annexure B in our report of even date to the Members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of the Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Thermal Powertech Corporation India Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' 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, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

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 standalone Ind AS financial statements for external purposes in accordance with the 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 standalone Ind AS 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 unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

AUDITED FINANCIAL STATEMENTS

Thermal Powertech Corporation India Limited Standalone Balance Sheet (All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

			Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS						
I	Non-current assets					
	(a)	Property, plant and equipment	2.1	8,50,348	8,93,317	23,672
	(b)	Capital work-in-progress	2.1	6,709	7,813	8,52,015
	(c)	Other intangible assets	2.2	197	261	318
	(d)	Financial assets				
		(i) Investments	2.3	5	5	-
		(ii) Other financial assets	2.4	-	5,035	9,454
	(e)	Other tax assets		1,955	1,645	1,127
	(f)	Other non-current assets	2.5	113	10,314	26,384
		Total non- current assets		8,59,327	9,18,390	9,12,970
II	Current assets					
	(a)	Inventories	2.6	34,005	30,930	11,679
	(b)	Financial assets				
		(i) Trade receivables	2.7	1,19,917	87,518	-
		(ii) Cash and cash equivalents	2.8	14,245	19,371	16,099
		(iii) Bank balances other than (i) above	2.8	7,787	4,818	4,925
		(iv) Loans	2.9	8	13	6
		(v) Derivatives	2.10	-	-	870
		(vi) Other financial assets	2.11	51,715	31,764	6,681
	(c)	Other current assets	2.12	5,963	5,214	2,471
		Total current assets		2,33,640	1,79,628	42,731
		Total assets		10,92,967	10,98,018	9,55,701
		EQUITY AND LIABILITIES				
		EQUITY				
	(a)	Equity share capital	2.13	1,83,992	1,48,183	84,009
	(b)	Other equity	2.14			
		(i) Securities premium		85,773	85,773	85,773
		(ii) Retained earnings		(18,231)	(10,424)	(465)
		(iii) Others (including items of Other Com prehensive Income)		(3,157)	(25)	(1)
		Total Equity		2,48,377	2,23,507	1,69,316

Thermal Powertech Corporation India Limited Standalone Balance Sheet (All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

			Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
LIABILITIES						
I	Non-current liabilities					
	(a)	Financial liabilities				
		(i) Borrowings	2.15	6,23,304	4,56,251	4,61,657
		(ii) Derivatives	2.16	8,026	-	-
		(iii) Other financial liabilities	2.17	109	-	-
	(b)	Provisions	2.18	335	306	45
		Total non-current liabilities		6,31,774	4,56,557	4,61,702
II	Current liabilities					
	(a)	Financial liabilities				
		(i) Borrowings	2.19	1,45,682	1,03,936	5,146
		(ii) Trade payables	2.20	29,763	19,060	-
		(iii) Derivatives	2.21	1,166	1,987	-
		(iv) Other financial liabilities	2.22	35,501	2,92,319	3,18,774
	(b)	Other current liabilities	2.23	657	637	755
	(c)	Provisions	2.24	47	15	8
		Total current liabilities		2,12,816	4,17,954	3,24,683
		Total liabilities		8,44,590	8,74,511	7,86,385
		Total equity and liabilities		10,92,967	10,98,018	9,55,701
		Significant accounting policies and notes to the standalone Ind AS financial statements	1, 2 & 3			
		The explanatory notes form an integral part of the standlone Ind AS financial statements				

As per our report on standalone Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
CIN: U40103TG2008PCL057031

Vipul Tuli
Additional Director
DIN: 07350892

T. V. Sandeep Kumar Reddy
Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

Thermal Powertech Corporation India Limited (Standalone Statement of profit and loss)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

		Note No.	For the Year ended 31 March 2017	For the year ended 31 March 2016
I	**REVENUE**			
	Revenue from operations	2.25	340,537	239,878
	Other income	2.26	818	1,811
	Total Revenue		**341,355**	**241,689**
II	**EXPENSES**			
	Cost of fuel		175,387	120,671
	Transmission charges		3,981	6,269
	Employee benefits expense	2.27	5,110	4,623
	Finance costs	2.28	108,661	74,952
	Depreciation and amortisation expense	2.1 & 2.2	35,829	28,724
	Other expenses	2.29	20,194	16,409
	Total expenses		**349,162**	**251,648**
III	**Loss for the year**		**(7,807)**	**(9,959)**
IV	**Tax expenses**		-	-
V	Loss after tax		(7,807)	(9,959)
VI	**Other comprehensive income**			
(A)	**Items that will not be reclassified subsequently to profit or loss** Remeasurements of the defined benefit plans		(62)	(24)
	Net other comprehensive income not to be reclassified subsequently to profit or loss		**(62)**	**(24)**

Thermal Powertech Corporation India Limited (Standalone Statement of profit and loss)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

		Note No.	For the Year ended 31 March 2017	For the year ended 31 March 2016
(B)	**Items that will be reclassified subsequently to profit or loss** Effective portion of changes in fair value of cash flow hedge		(3,070)	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		(3,070)	-
VII	**Total comprehensive income for the year**		**(10,939)**	**(9,983)**
	Earnings per equity share (face value of share ₹10 each) Basic and diluted	2.31	**(0.43)**	**(0.72)**
	Significant accounting policies and notes to the standalone Ind AS financial statements	1, 2 & 3		
	The explanatory notes form an integral part of the standalone Ind AS financial statements.			

As per our report on standalone Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
CIN: U40103TG2008PCL057031

Vipul Tuli
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T. V. Sandeep Kumar Reddy
Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

Thermal Powertech Corporation India Limited Standalone Balance Sheet (All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash flows from operating activities		
Net loss before tax	(7,807)	(9,959)
Adjustments:		
Depreciation and amortisation	35,829	28,724
Finance costs	108,661	74,951
Interest income	(630)	(1,811)
Unwinding of discount in deposits	(47)	(81)
Loss on sale of property, plant and equipment	22	1
Cash flow hedges reclassified from Other comprehensive income	(3,070)	-
Advance written off	5	4
Net exchange differences	11	234
Operating cash flows before working capital changes	132,974	92,063
(Increase) in inventories	(3,075)	(19,251)
(Increase) in trade receivables	(32,399)	(87,518)
(Increase) in unbilled revenue	(19,773)	-
(Increase)/ Decrease in financial and non financial assets	602	(22,669)
Increase in trade payable, other financial liabilities and current liabilites	17,041	21,368
Increase in provisions	61	269
Cash generation from/ (used in) operations	**95,431**	**(15,738)**
Income taxes paid (net)	(310)	(518)
Net cash generated from/ used in operating activities	**95,121**	**(16,256)**
B. Cash flows from investing activities		
Changes in capital work-in-progress	(13,461)	851,758
Acquisition of property, plant and equipment	(8,985)	(898,651)
Acquisition of intangible assets	(114)	-
Proceeds from sale of property, plant and equipment	1	-
Proceeds from sale of other investments	1,708	2,622
Interest received	377	3,838
Investment in subsidiaries	-	(5)
Net cash used in investing activities	**(20,474)**	**(40,438)**
C. Cash flows from financing activities		
Proceeds from issue of shares including securities premium	35,809	64,175
Proceeds from long-term borrowings	658,987	50,720
Repayment of long-term borrowings	(702,623)	(66,158)
Proceeds from short-term borrowings	537,627	195,701
Repayment of short-term borrowings	(495,881)	(96,910)
Interest and finance charges paid	(113,692)	(87,562)
Net cash (used in)/ from financing activities	**(79,773)**	**59,966**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(5,126)**	**3,272**

Thermal Powertech Corporation India Limited (Standalone Statement of profit and loss) (All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash and cash equivalents at the beginning of the year	**19,371**	**16,099**
Cash and cash equivalents at the end of the year	**14,245**	**19,371**

Note:
Components of Cash and cash equivalents comprise:

Particulars	As at 31 March 2017	As at 31 March 2016
Cash on hand	5	9
Balance with scheduled banks		
-in current accounts	12,726	8,555
-in deposit accounts	1,514	10,807
Total cash and cash equivalents (Refer note no. 2.8)	**14,245**	**19,371**

The explanatory notes form an integral part of the standalone Ind AS financial statements.

As per our report on standalone Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
CIN: U40103TG2008PCL057031

Vipul Tuli
Additional Director
DIN: 07350892

T. V. Sandeep Kumar Reddy
Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

Thermal Powertech Corporation India Limited Standalone statement of changes in equity (All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	Equity share capital	Other equity				Total equity
		Reserves and Surplus		Other comprehensive statement		
		Securities premium reserve	Retained earnings	Effective portion of Cash flow hedges	Other items of other comprehensive income	
Balance as at 1 April 2015	**84,009**	**85,773**	**(465)**	**-**	**(1)**	**169,316**
Issue of equity shares for cash	64,174	-	-	-	-	64,174
Total comprehensive income for the year ended 31 March 2016						
Loss for the year	-	-	(9,959)	-	-	(9,959)
Other comprehensive income	-	-	-	-	(24)	(24)
Balance as at 31 March 2016	**148,183**	**85,773**	**(10,424)**	**-**	**(25)**	**223,507**

Particulars	Equity share capital	Other equity				Total equity
		Reserves and Surplus		Other comprehensive statement		
		Securities premium reserve	Retained earnings	Effective portion of Cash flow hedges	Other items of other comprehensive income	
Balance as at 1 April 2016	**148,183**	**85,773**	**(10,424)**	**-**	**(25)**	**223,507**
Issue of equity shares for cash	**35,809**	**-**	**-**	**-**	**-**	**35,809**
Total comprehensive income for the year ended 31 March 2017						
Loss for the year	-	-	(7,807)	-	-	(7,807)
Other comprehensive income	-	-	-	(3,070)	(62)	(3,132)
Balance as at 31 March 2017	**183,992**	**85,773**	**(18,231)**	**(3,070)**	**(87)**	**248,377**

Significant accounting policies and notes to the standalone Ind AS financial statements 1, 2 & 3

The explanatory notes form an integral part of the standalone Ind AS financial statements.

As per our report on standalone Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
CIN: U40103TG2008PCL057031

Vipul Tuli
Additional Director
DIN: 07350892

T. V. Sandeep Kumar Reddy
Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

Thermal Powertech Corporation India Limited Notes to the standalone Ind AS financial statements

1. Corporate information

Thermal Powertech Corporation India Limited ('the Company') was incorporated on 8 January 2008 as a public limited company. The Company has been established for developing, constructing, commissioning, operating and maintaining a 1,320 megawatt (2 X 660 megawatt) coal based thermal power plant at Pynampuram and Nelatur Villages, Muthukur Mandal, Nellore District in the state of Andhra Pradesh. The Company has successfully commenced full commercial operations in September 2015.

2. Basis of preparation

2.1 Statement of compliance

These standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The standalone Ind AS financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the first standalone Ind AS financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, *First-time Adoption of Indian Accounting Standards* has been applied. An explanation of how the transition to Ind AS has affected the previously reported Company's financial position, financial performance and cash flows is provided in Note 3.

The standalone Ind AS financial statements were authorised for issue by the Company's Board of Directors on 31 May 2017

2.2 Functional and presentation currency

The standalone Ind AS financial statements are presented in Indian rupees (INR) all the values are rounded off to the nearest Lakhs (INR 00,000) except when otherwise indicated, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees.

2.3 Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policy regarding financial instruments)
Derivative instruments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations.

2.4 Use of estimates and judgements

The preparation of these standalone Ind AS financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the standalone Ind AS financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Assumptions, estimation uncertainties and judgments

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

Impairment of investments:

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment and intangible:

The Company reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets:

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.17.

Defined benefit plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer note no. 2.34)

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Provisions and contingent liabilities:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best

Thermal Powertech Corporation India Limited
Notes to the standalone Ind AS financial statements

estimates. Contingent liabilities are not recognised in the standalone Ind AS financial statements. A contingent asset is neither recognised nor disclosed in the standalone Ind AS financial statements.

2.5 Current and Non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
ii) it is held primarily for the purpose of being traded;
iii) it is expected to be realised within 12 months after the reporting date; or
iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i) it is expected to be settled in the Company's operating cycle;
ii) it is held primarily for the purpose of being traded;
iii) it is due to be settled within 12 months after the reporting date; or
iv) the Company does not have an unconditional right to defer settlement of the liability for atleast 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

2.6 Property, plant and equipment and depreciation

i. Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed item of removing property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use, and estimated costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended used and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

ii. Subsequent Expenditure

Subsequent expenditure relating to property, plant and equipment is recognised in the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company and its costs can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised as an expense when incurred.

iii. Disposals

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

iv. Depreciation

Depreciation on property, plant and equipment is provided on straight line method based on the useful life as specified in Schedule II to the Act, except in case of plant and machinery where the estimated useful life has been considered as 25 years, which the Management believes best represent based on internal assessment where necessary, which is different from the useful life as prescribed under Part C of Schedule II of the Act. Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate

Depreciation on additions (disposals) is provided on a pro-rata basis i.e from (upto) the date on which asset is ready for use (disposed of).

Assets whose acquisition cost is less than Rs. 5000/- are fully depreciated in the year of acquisition.

v. Reclassification to investment property

When the use of a property changed from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

2.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortisation methods and useful lives are reviewed periodically including at each financial year end. Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under Capital Work-in-Progress.

Thermal Powertech Corporation India Limited
Notes to the standalone Ind AS financial statements

Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortised on straight line method over the period of legal right to use or life of the related plant or asset, whichever is less.

2.8 Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A Financial asset and liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

a. Subsequent measurement of financial assets:

i. 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.

ii. 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.

iii. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

iv. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

v. Investment in Subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

b. Subsequent measurement of financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c. De-recognition of financial instruments

i. Financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers no retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transaction whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

ii. Financial liability

The Company recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

e. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequently to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

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Notes to the standalone Ind AS financial statements

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

i. Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through statement of profit and loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in statement of profit and loss.

ii. Cash flow hedge accounting

Where a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised directly in other comprehensive income and presented in the hedging reserve in equity. The ineffective portion of changes in the fair values of the derivative is recognised immediately in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

2.9 Impairment

a. 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 ('ECL') to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.10 Inventories

Inventories which comprise of fuel, stores and spares are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of completion and selling expenses.

2.11 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss unless it relates to a long term foreign currency monetary item.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the statement of profit and loss unless it relates to a long term foreign currency monetary item.

Non-Monetary assets are recorded at the rate prevailing on the date of the transaction

2.12 Employee benefits

Defined benefit plans:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not be to be subsequently reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit and loss account as past service cost.

Defined contribution plans:

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the

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statement of profit and loss.

Compensated absences:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Bonus plans:

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there a past practice that has created as contractual obligation.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Sales tax/ Value Added Tax ('VAT')/ Service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity/service rendered by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Revenue from energy units sold as per the terms of the Power Purchase Agreements ('PPA') and Letter Of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year. Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers. Revenue/ charges from unscheduled interchange for the deviation in generation with respect to scheduled generation are recognized/ charged at rates notified by Central Electricity Regulatory Commission ('CERC') from time to time as revenue from sale of electricity and adjusted with revenue from sale of electricity.

Revenue from electrical energy transmission charges is recognized on an accrual basis in accordance with the provisions of transmission service agreements.

The Company accounts for fuel and power purchase price adjustment claims in case of claims change in law and etc., as and when allowed by the regulatory authorities and truing-up adjustment claims as and when realized.

Claims for delayed payment charges and any other claims, which the Company is entitled to under the PPAs, are accounted for in the year of acceptance by the customers.

Interest income is recognized based on effective interest rate method.

Dividend income is recognised when the unconditional right to receive the income is established.

2.14 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15 Earnings / (loss) per share

The basic earnings per share ('EPS') is computed by dividing the net profit or loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.16 Leases

Assets taken on lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the leased asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets acquired under leases other than finance leases are classified as operating leases and recorded as expense as and when the payments are made over the lease term. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

2.17 Income taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax reflects the best estimate the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.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 Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

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(ii) Deferred tax

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

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

- Temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. 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 if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2.18 Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

Thermal Powertech Corporation India Limited
2. Notes to the standalone Ind AS financial statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)
2.1 Property, plant and equipment and work-in-progress

Particulars	Land (owned)	Land (leased) (Note: 1)	Roads	Office buildings	Factory building	Furniture and fittings	Vehicles	Office equipments	Electrical installations	Plant and equipment (Note: 2)	Computers	Total	Capital work-in-progress
Gross carrying amount													
Deemed cost as on 1 April 2015	9,133	6,220	2,354	2,141	611	405	115	514	945	1,107	127	23,672	852,015
Additions	166	-	10,992	2,822	4,449	192	155	236	14	879,527	59	898,612	45,968
Disposals	30	24	-	-	-	-	-	1	-	-	11	66	
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	890,170
Balance as at 31 March 2016	**9,269**	**6,196**	**13,346**	**4,963**	**5,060**	**597**	**270**	**749**	**959**	**880,634**	**175**	**922,218**	**7,813**
Balance as at 1 April 2016	**9,269**	**6,196**	**13,346**	**4,963**	**5,060**	**597**	**270**	**749**	**959**	**880,634**	**175**	**922,218**	**7,813**
Additions	93	-	808	56	190	12	197	93	-	7,457	79	8,985	10,893
Adjustments	-	-	251	-	32	-	-	-	-	15,996	-	16,279	5,157
Disposals	-	-	-	-	-	15	-	3	-	9	14	41	-
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	6,840
Balance as at 31 March 2017	**9,362**	**6,196**	**13,903**	**5,019**	**5,218**	**594**	**467**	**839**	**959**	**872,086**	**240**	**914,883**	**6,709**
Accumulated depreciation													
Depreciation for the year	-	-	1,170	88	178	55	22	273	134	26,979	13	28,912	-
Disposals	-	-	-	-	-	-	-	-	-	-	11	11	-
Balance as at 31 March 2016	**-**	**-**	**1,170**	**88**	**178**	**55**	**22**	**273**	**134**	**26,979**	**2**	**28,901**	**-**
Balance as at 1 April 2016	**-**	**-**	**1,170**	**88**	**178**	**55**	**22**	**273**	**134**	**26,979**	**2**	**28,901**	**-**
Depreciation for the year			1,336	119	190	58	59	173	135	33,493	88	35,651	-
Disposals			-	-	-	4	-	2	-	1	10	17	-
Balance as at 31 March 2017	**-**	**-**	**2,506**	**207**	**368**	**109**	**81**	**444**	**269**	**60,471**	**80**	**64,535**	**-**
Carrying amounts (net)													
As at 31 March 2015	**9,133**	**6,220**	**2,354**	**2,141**	**611**	**405**	**115**	**514**	**945**	**1,107**	**127**	**23,672**	**852,015**
As at 31 March 2016	**9,269**	**6,196**	**12,176**	**4,875**	**4,882**	**542**	**248**	**476**	**825**	**853,655**	**173**	**893,317**	**7,813**
As at 31 March 2017	**9,362**	**6,196**	**11,397**	**4,812**	**4,850**	**485**	**386**	**395**	**690**	**811,615**	**160**	**850,348**	**6,709**

Note: 1

The Company had entered into an agreement with Andhra Pradesh Industrial Infrastructure Corporation Ltd. ('APIIC') for occupation of two tranches of land. One tranche of land was transferred to the Company as freehold land. For the other tranche of land, admeasuring Acre 680.55cents, a lease deed for a period of 21 years was entered with APIIC on 25 November 2009. As per the lease deed, APIIC agreed to sell the land even during the subsistence of the lease deed on securing necessary clearances and approvals for such sale to the Company on such mutually agreed terms and conditions. Further, in the unlikely event of transferring the land through sale to the Company, APIIC agreed to renew the lease for a further period on such mutually agreed terms and conditions. All the requirements of the agreement including the payment of consideration of Rs. 6,125 Lakhs has been complied with by the Company to purchase the land. The said consideration was paid on 12 November 2009 and the same has been considered as cost of land. The Company received legal advice on the delay and there has been no indication that suggested that the delay in sale of land was not only administrative in nature and the said sale will happen in due course. Further, APIIC has also confirmed that it agrees to renew the lease for a further period on such mutually agreed terms and conditions in the unlikely event that the sale is not completed then. Accordingly, the estimates of useful lives of assets is considered to be appropriate.

Note: 2

As per option given in Ind As 101 "First-time Adoption of Indian Accounting Standards" the first - time adopter can continue the capitalisation of exchange difference arising on translation of long term monetary liabilities which are existing as on 31 March 2016. Accordingly, the Company has opted for capitalisation of exchange difference in respect of long term monetary liabiliities. The total amount of exchange difference capitalised during year amounting to of ₹1,756 Lakhs (31 March 2016: ₹49,167 Lakhs; 1 April 2015: ₹36,810 Lakhs).

Thermal Powertech Corporation India Limited

2. Notes to the standalone Ind AS financial statements (continued)

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.2 Other intangible assets

Particulars	Computer software	Total
Gross carrying amount		
Balance as at 1 April 2015	318	318
Additions	94	94
Balance as at 31 March 2016	**412**	**412**
Balance as at 1 April 2016	412	412
Additions	114	114
Balance as at 31 March 2017	**526**	**526**
Accumulated amortisation		
Amortisation for the year	151	151
Balance as at 31 March 2016	**151**	**151**
Balance as at 1 April 2016	**151**	**151**
Amortisation for the year	178	178
Balance as at 31 March 2017	**329**	**329**
Carrying amounts (net)		
As at 31 March 2015	**318**	**318**
As at 31 March 2016	**261**	**261**
As at 31 March 2017	**197**	**197**

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As As at 31 March 2017	As As at 31 March 2016	As at 1st April 2015
2.3 Non- current Investments			
Unquoted equity shares (fully paid up) Investment in equity instrument of subsidiary 10,000 (31 March 2016: 10000 equity shares; 1 April 2015: Nil) equity shares of SGD 1 each TPCIL Singapore Pte Ltd *	5	5	-
	5	**5**	**-**
Aggregate value of unquoted investments	**5**	**5**	-
* Current year- Nil (31 March 2016: 100%; 1 April 2015: Nil) of the equity share pledged with Rural Electrification Corporation Limited (REC) against the borrowing of the Company.)			
2.4 Other non-current financial assets *(Unsecured considered good)*			
Security deposits	-	76	75
Margin money deposits to related party (Refer note no. 2.41)	-	-	601
Interest accrued on deposits	-	282	979
Bank deposits due to mature after 12 months of the reporting date	-	4,677	7,799
	-	**5,035**	**9,454**
2.5 Other non-current assets			
Capital advances	88	7,778	20,539
Advances other than capital advances			
Other advances			
- Advance recoverable in cash or kind	-	2,500	5,845
- Prepayments	25	36	-
	113	**10,314**	**26,384**
2.6 Inventories *(Valued at lower of cost and net realisable value)*			
Fuel (includes goods in transit amounting to ₹ 9,997 Lakhs; 31 March 2016: ₹5,478 Lakhs; 1 April 2015: ₹ Nil)	24,028	22,257	10,376
Stores and spares	9,977	8,673	1,303
	34,005	**30,930**	**11,679**
2.7 Trade receivables			
Unsecured, considered good*	119,917	87,518	-
	119,917	**87,518**	**-**

*includes receivables against which the Company holds revolving letter of credit from two customers.

(i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
(ii) For trade receivables from related parties Refer note no: 2.41
(iii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note no: 2.40.

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As As at 31 March 2017	As As at 31 March 2016	As at 1st April 2015
2.8 Cash and cash equivalents Balance with banks			
- In current accounts	12,726	8,555	6,546
Deposits with maturity of less than three months	1,514	10,807	9,548
Cash on hand *	5	9	5
	14,245	**19,371**	**16,099**
Bank balances other than those disclosed above			
Deposits due to mature after three months but before twelve months from the reporting date**	7,787	4,818	4,925
	7,787	**4,818**	**4,925**

* Cash on hand includes ₹2 Lakhs (31 March 2016: ₹4 Lakhs; 1 April 2015: ₹2 Lakhs) held in foreign currency.
** Represents ₹7,787 Lakhs (31 March 2016: ₹4,818 Lakhs; 1 April 2015: ₹4,925 Lakhs) held as margin money towards bank guarantees.
There are no repatriation restrictions with regard to cash and cash equivalents as at he end of reporting period and prior period.

Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 is as under:

Particulars	SBN	Other denominination notes	Total
Closing cash in hand as on 8 November 2016	4	-	4
Add: permitted receipts	-	8	8
Less: permitted payments	-	2	2
Less: Amount deposited in banks	4	-	4
Closing cash in hand as on 30 December 2016	**-**	**6**	**6**

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

	As As at 31 March 2017	As As at 31 March 2016	As at 1st April 2015
2.9 Loans *(Unsecured, considered good unless otherwise stated)*			
Loans to employees	8	13	6
	8	**13**	**6**
2.10 Derivative asset			
Foreign currency options	-	-	870
	-	**-**	**870**
2.11 Other financial assets *(Unsecured, considered good)*			
Security deposits			
- Rental deposits	4	5	5
- Electricity deposits	60	-	-

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As As at 31 March 2017	As As at 31 March 2016	As at 1st April 2015
- Other deposits	26	5	11
Margin money deposits to related party (Refer note no. 2.41)	6,796	6,749	5,542
Staff advances	10	3	11
Interest accrued on deposits	1,274	692	909
Unbilled revenue	43,545	23,772	-
Insurance claim receivable	-	538	203
	51,715	**31,764**	**6,681**
2.12 Other current assets			
Advances to suppliers	3,989	3,646	173
Balance with government authorities	-	-	103
Prepayments	1,974	1,561	2,191
Other advance	-	7	4
	5,963	**5,214**	**2,471**

	As at 31 March 2017	As at 31 March 2016
2.13 Equity share capital		
Authorised **Equity shares** 3,009,803,921 (31 March 2016: 3,009,803,921) equity shares of ₹10 each	300,980	300,980
Preference shares 490,196,079 (31 March 2016: 490,196,079) 5% Cumulative participatory redeemable convertible preference shares ("CPRCPS") of ₹10 each	49,020	49,020
	350,000	**350,000**
Issued, Subscribed and fully paid up 1,839,915,548 (31 March 2016: 1,481,830,736) equity shares of ₹10 each fully paid up *	183,992	148,183
	183,992	**148,183**

Of the above issued, subscribed and fully paid up share capital 1,598,299,574 (31 March 2016: 1,240,214,762) equity shares of ₹10 each, fully paid-up are held by Sembcorp Utilities Pte Ltd, the holding company.

* 643,970,442 (31 March 2016: 1,340,519,230) equity shares of ₹10 each, fully paid up are pledged against secured term loans.

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

The reconciliation of shares outstanding at the beginning and at the end of reporting period is set out below:

Equity shares

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number in Lakhs	Amount in ₹	Number in Lakhs	Amount in ₹
Shares outstanding at the beginning of the year	14,818	148,183	8,401	84,009
Shares issued during the year	3,581	35,809	6,417	64,174
Shares outstanding at the end of the year	18,399	183,992	14,818	148,183

The details of shareholder holding more than 5% shares along with number of equity shared held is set below: Equity Shares

Equity shares

Name of shareholder	As at 31 March 2017		As at 31 March 2016	
	Number in Lakhs	% of holding	Number in Lakhs	% of holding
Sembcorp Utilities Pte Limited, Singapore	15,983	86.87%	12,402	83.69%
Gayatri Energy Ventures Private Limited	2,416	13.13%	2,416	16.31%

Terms and rights attached to equity shares:
Equity shares of the Company have a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.14 Other equity
General reserve
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings
Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit or loss and other comprehensive income less dividend distribution and transfers to general reserve.

Other items of OCI

Effective portion of cash flow hedges
This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instrument related to hedged transactions that have not yet occured.

Remeasurement of defined benefit liability
Comprises of actuarial gains/losses and return on plan assets excluding interest income.

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.15 Borrowings			
Non-current borrowings			
Secured			
Term loans			
-from banks	623,304	128,475	126,624
-from financial institutions	-	327,776	335,033
	623,304	456,251	461,657

Term loans from banks are secured by way of:

1. First ranking pari passu charge of registered mortgage of freehold land of 160 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh.
2. Pledge of 643,970,442 (31 March 2016: 1,340,519,230; 1 April 2015: 463,919,300) equity shares of ₹10 each fully paid up of the Company.
3. First ranking pari passu charge over all the present and future assets (both tangible and intangible) of the Company.
4. The borrowing as at 31 March 2016 and 1 April 2015 are secured by Coprorate guarantee of Gayatri Power Limited (Refer note no. 2.41)

a. Terms of repayment

During the year the term loans borrowed against the common loan agreement dated 13 September 2010 were repaid and refinanced with rupee term loans from consortium of lenders agreement dated 24 October 2016 lead by State Bank of India ('SBI'). Rupee Term Loan facility - I are repayable in 79 quarterly installments commencing from 31 December 2016 and Rupee Term Loan facility - II are payable in 77 quarterly instalments commencing from 30 June 2017.The rupee term loans in respect of facility - 1 and II carries an interest of SBI MCLR plus 1.25% p.a. The term loans carries an interest rate of 10.15% to 14.75% p.a (31 March 2016: 11.50% to 14% p.a; 1 April 2015: 11.50% to 14.75% p.a).

b. External Commercial Borrowings

The External Commercial Borrowings (ECB) are payable in 20 quarterly instalments commencing from 30 June 2017. ECB loan carry interest at 3 Month USD Libor plus 1.15% p.a (31 March 2016 and 1 April 2015: Nil). ECB loans are guaranteed by Sembcorp Utilities Pte Ltd, the holding company of the the Company.

c. Buyers credit for project constuction

Buyers credit carries LIBOR based interest in range of Nil (31 March 2016 and 1 April 2015: 1.61% to 2.37% p.a.) The buyers credit facility has been guaranteed by Sembcorp Utilities Pte Ltd, in the form of corporate guarantee and is repayable within a period not exceeding 3 years from the date of shipment or 29 April 2016 which ever is later as per revised terms of payment.

2.16 Non-current Derivative

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Derivative designated as cash flow hedge	8,026	-	-
	8,026	-	-
2.17 Other financial liabilities			
Non-current			
Retention bonus payable	109	-	-
	109	-	-

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.18 Provisions

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Provision for employee benefits			
- Gratuity (Refer note no: 2.34)	17	-	2
- Compensated absences	318	306	43
	335	306	45

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.19 Borrowings			
Current borrowings			
Secured			
Loans repayable on demand			
- Working capital loans from banks including buyer's credit	145,682	103,936	5,146
	145,682	103,936	5,146

Terms of working capital loans, terms of interest and nature of security - Facilities from Royal Bank of Scotland ("RBS")

Buyers credit carries LIBOR based interest in range of 0.46% to 0.92% p.a. (31 March 2016: 0.46% to 0.92% p.a.; 1 April 2015: Nil p.a)

The working capital borrowing is secured by corporate bank guarantee from Sembcorp Utilities Pte Ltd and Gayatri Energy Ventures Private Limited, in the ratio of respective shareholding at all times.

Terms of working capital loans from banks, terms of interest and nature of security

Working capital loans currently carry an interest of 8.50 % to 12.85% p.a. (31 March 2016: 9% to 12.50% p.a; 1 April 2015: 11.75% p.a) and buyers credit carries LIBOR based interest in range of 0.80 % to 2.28% p.a (31 March 2016: 0.80% to 1.34% p.a; 1 April 2015: Nil p.a). The loans are and secured by of mortgage pari passu first charge of registered mortgage of freehold land of 160 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh.

First pari passu charge over all the present and future assets (both tangible and intangible) of the Company.

	As at 31 Mach 2017	As at 31 March 2016	As at 1 April 2015
2.20 Trade Payables			
Current			
Trade payable to related parties (Refer no: 2.41)	1,628	1,416	
Other trade payables	28,135	17,644	
	29,763	19,060	

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As at 31 Mach 2017	As at 31 March 2016	As at 1 April 2015
2.21 Derivatives			
Current			
Derivatives not designated as hedge			
Fiar value of forward contracts used for hedging	1,166	1,987	-
	1,166	**1,987**	**-**

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note no. 2.40.

	As at 31 Mach 2017	As at 31 March 2016	As at 1 April 2015
2.22 Other financial liabilities			
Current			
Current maturity of long-term debt (Refer note no: 2.15)	29,428	241,757	251,789
Interest accrued but not due on borrowings	507	5,538	4,771
Capital creditors	1,766	4,013	8,881
Salaries payable	1	529	362
Retention bonus payable	110	469	-
Retention money payable	3,666	39,953	52,971
Other payable	23	60	-
	35,501	**292,319**	**318,774**

	As at 31 Mach 2017	As at 31 March 2016	As at 1 April 2015
2.23 Other current liabilities			
Current			
Advances from customers	15	2	6
Due to statutory authorities	642	635	749
	657	**637**	**755**

	As at 31 Mach 2017	As at 31 March 2016	As at 1 April 2015
2.24 Provisions			
Current			
Provision for employee benefits			
-Gratuity (Refer note no: 2.34)	16	-	1
-Compensated absences	31	15	7
	47	**15**	**8**

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.25 Revenue from operations		
Sale of electricity	339,802	239,878
Other operating revenue (net)	735	-
	340,537	**239,878**
2.26 Other income		
Interest income under effective interest method on cash and cash equivalents	630	1,730
Unwinding of discount on margin money deposit	47	81
Miscellaneous income, net	141	-
	818	**1,811**
2.27 Employee benefits expense		
Salaries, wages and bonus	4,376	3,956
Contribution to provident and other funds (Refer note no: 2.34)	201	166
Staff welfare expenses	533	501
	5,110	**4,623**
2.28 Finance costs		
Interest expense on financial liabilities measured at amortised cost	85,095	61,066
Other borrowing costs	17,110	3,980
Loss on derivative contracts	6,456	9,906
	108,661	**74,952**
2.29 Other expenses		
Legal and professional fee (Refer note no: 2.37)	3,968	3,143
Compensation for short supply of power & others	1,395	2,152
Consumption of stores, spares and consumables	1,910	1,907
Insurance	2,012	1,074
Repairs and maintenance:		
- Buildings and civil works	406	393
- Plant and equipment	5,981	4,333
- Others	277	172
Loss on foreign currency transactions and translation (net)	1,345	386
Vehicle hire charges	419	504
Security expenses	719	481
Travel and conveyance	420	389
Health and safety expenses	208	262
Commission charges	82	235
Rates and taxes	135	189

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Expenditure on corporate social responsibility (Refer note no. 2.36)	353	145
Advertisement expenses	13	124
Communication expenses	148	122
Rent (Refer note no: 2.32)	57	66
Training and seminar	46	30
Printing and stationery	34	17
Directors' sitting fees	22	14
Advance written off	5	4
Loss on sale of property, plant and equipment	22	1
Miscellaneous expenses	217	266
	20,194	**16,409**

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
2.30 Contingent liabilities and commitments (to the extent not provided for)			
a. Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for	4,461	6,063	13,881
	4,461	**6,063**	**13,881**

b. Operation and maintenance agreement
The Company has entered into an agreement with Sembcorp Gayatri O&M Company Private Limited (SGOMC) on 11 February 2011 for operation and maintenance of thermal power plant at a fee of Rs. Nil (31 March 2016: Nil; 31 March 2015: Rs.1,877 Lakhs) per year subject to future indexation.

c. Claims against the Company not acknowledged as debt in respect of

		As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
(i)	In respect of income tax*	2,476	590	-
(ii)	In respect of cess levied under the Buildings and Other Construction Works(RE&CS) Act,1996	2,872	-	-
(iii)	Additional charges levied by lender (Financial Institution) **	-	1,283	
iv)	Additional interest charged by lender (Bank)	-	47	-
		5,348	**1,920**	**-**

* Tax paid under protest ₹473 Lakhs (31 March 2016: ₹295 Lakhs; 1 April 2015: ₹ Nil)

** The Rural Electrification Corporation Limited (REC) has levied 1% additional interest for non- creation of security over coal conveyor corridor land measuring 23.34 acres. However, the Company had completed security creation on the total land including coal conveyor corridor land by way of signing of declaration of mortgage and handed over agreement of sale of land with APIIC coupled with the possession certificate to REC on 30 June 2015. The Company has accordingly requested REC to withdraw the said levy of additional interest.

d. Custom duty benefit availed
The Company had received the provisional Mega Power Project status on 26 September 2011 and hence was exempt from payment of customs duty on import of equipments for the project. The total customs duty benefit availed under the said scheme amounts to Rs.78,405 Lakhs. The Company would be required to make payment of the benefits availed in case of non-fulfilment of conditions stipulated for Mega Power Project. In addition to the above, interest would also be levied. The said conditions were

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
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required to be fulfilled within 66 months from the date of import for provisional mega power projects. The Company has entered into long term arrangement with Andhra Pradesh and Telangana Power Distribution Companies for power supply of 1,070 MW (Net Capacity) which is 86% of the total plant net generation capacity and submitted a letter dated 2 March 2016 to Ministry of Power for grant of final mega power project status. The Company has received Mega Power Project Status on 19 January 2017 and is in the process of completing formalities with customs department to release bank guarantees placed with them.

2.31 Earnings per share (EPS)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Net loss after tax attributable to the equity shareholders	(7,807)	(9,959)
Number of shares at the beginning of the year	14,818	8,401
Add: Weighted average number of equity shares issued during the year	3,296	5,418
Weighted average number of equity shares outstanding during the year	**18,114**	**13,819**
Basic EPS of par value of ₹10 (Rs.)	(0.43)	(0.72)
Diluted EPS of par value of ₹10 (Rs.)	(0.43)	(0.72)

2.32 Leases

The Company has taken rental premises on cancellable operating leases. Lease rental under such cancellable leases amounting to ₹41 Lakhs (31 March 2016: ₹19 Lakhs; 1 April 2015: ₹38 Lakhs) has been charged to Statement of profit and loss (net of recoveries).
The Company is also obligated under non-cancellable operating leases for the premises which are renewable at the option of both the lessor and lessee. The total expense incurred during the period under non-cancellable operating lease amounted to ₹16 Lakhs (31 March 2016: ₹65 Lakhs; 1 April 2015: ₹69 Lakhs). The total of Future Minimum Lease Payment (MLP) under non-cancellable operating leases is as follows:

Future minimum lease payments

	As at 31 Mach 2017	As at 31 March 2016	As at 1 April 2015
Not later than one year	-	14	73
Later than one year but less than five years	-	-	31
Later than five year	-	-	-
Total	**-**	**14**	**105**

The Company has transferred lease rentals of ₹ Nil (31 March 2016: ₹18 Lakhs; 1 April 2015: ₹101 Lakhs) to pre-operative expenditure.

2.33 Segment reporting

The Company is engaged in the business of generation and supply of power, which in the context of Ind AS 108 - "Operating Segments", notified by the Companies (Accounts) Rules, 2014 is considered the only operating segment. The Company is domiciled in India. Since the operations of the Company exist only in India and all its assets are located only in India, disclosures required under paragraphs 32-34 of Ind AS 108 is not required.

2.34 Assets and liabilities relating to employee benefits

i) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the Statement of profit and loss is ₹196 Lakhs (31 March 2016: ₹170 Lakhs) and capitalized during the year is ₹ Nil (31 March 2016: ₹37 Lakhs).

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

ii) Defined benefit plan

The Company provides gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognized funds in India. Liability with regard to this plan is determined by an actuarial valuation as at the end of the year and are charged to the Statement of profit and loss.

A. Funding

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	Particulars	As at 31 Mach 2017	As at 31 March 2016
B.	**Reconciliation of the present value of defined benefit obligation**		
	Balance at the beginning of the year	133	97
	Current service cost	3	2
	Interest cost	11	8
	Benefits paid	(8)	-
	Actuarial (gains)/ loss recognised in the other comprehensive income		
	- experience adjustments	66	(106)
	- changes in financial assumptions	(5)	132
	Balance at the end of the year	**200**	**133**
	Non-current	183	119
	Current	17	14
	Reconciliation of the present value of plan assets		
	Balance at the beginning of the year	140	95
	Contrubtions paid into the plan by employer	25	35
	Benefits paid	(8)	-
	Expected return on plan assets	11	8
	Actuarial gain/ (loss) on plan assets	(1)	2
	Acquisition adjustment	-	-
	Balance at the end of the year	**167**	**140**
	Net defined benefit obligation/ (asset)	**33**	**(7)**

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

C. Expense recognized in the Statement of profit and loss

	Particulars	31 March 2017	31 March 2016
	Particulars		
	Current service cost	3	2
	Interest cost	11	8
	Interest income	(11)	(8)
		3	**2**
	Remeasurements recognised in Other comprehensive income		
	Actuarial (gain)/ loss on defined benefit obligation	61	26
	Return on plan assets excluding interest income	1	(2)
		62	**24**

D. Plan assets
Plan assets comprise of the following:

	31 March 2017	31 March 2016	01 April 2015
New Group Gratuity Cash Accumulation Plan with LIC	167	140	95

2.34 Asset and liabilities relating to employee benefits
E. Summary of actuarial assumptions
Demographic assumptions

	31 March 2017	31 March 2016	01 April 2015
Mortality rate (% of IALM 06-08)	100%	100%	100%
Attrition rate			
18 - 30 years	10.00%	10.00%	5%
31 - 40 years	5.00%	8.00%	5%
41 &+ years	1.00%	1.00%	5%
Financial assumptions			
Discount rate	7.00%	8.00%	0.08
Future salary growth rate	5.00%	5.00%	0.05

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amount shown below.

	31 March 2017		31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(15)	15	(8)	7
Future salary growth rate (1% movement)	25	(24)	16	(16)
Attrition rate (50% movement)	28	(38)	24	(35)
Mortality rate (10% movement)	(1)	(2)	-	(1)

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2. Notes to the Standalone Ind AS Financial Statements (continued)
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Asset-liability matching strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity payables falling due during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

F. Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of ₹33 Lakhs (31 March 2016: Nil) to the plan for the next annual reporting period.

G. Maturity profile of the defined benefit obligation

Expected cash flows over the next (valued on undiscounted basis):

Particulars	31 March 2017
Within 1 year	16
2 to 5 years	14
6 to 10 years	26
More than 10 years	307

iii) Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the statement of profit and loss.

2.35 Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Act, 2006

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2017 has been made in the standalone Ind AS financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

2.36 Details of Corporate social responsibility expenditure

The amount to be incurred towards Corporate Social Responsibility (CSR) for the financial year ended 31 March 2017, as prescribed under section 135 of the Companies Act, 2013 is Nil. The Company has however incurred ₹353 Lakhs (31 March 2016: ₹145 Lakhs) on education, healthcare, village infrastructure, skill development, social reforms and environment sustainability.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
2.37 Auditor's remuneration (excluding service tax)		
- statutory audit fee	17	14
- for other services	32	38
- for reimbursement of expenses	2	1
	51	**53**

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.38 Deferred tax

Particulars	For the year ended 31 March 2017 "	For the year ended 31 March 2016
Deferred tax assets		
Unabsorbed loss and depreciation as per Income-tax law	117,801	148,163
Deferred tax liabilities		
Excess of depreciation allowable under Income-tax law over depreciation provided in books	117,801	148,163
	-	-

In the absence of reasonable certainty supported by evidence that there will be future taxable income against which such losses can be set off, the deferred tax asset on carry forward unabsorbed depreciation and loss as at 31 March 2017 is created to the extent of deferred tax liability.

2.39 Capital management

The Company aims to maintain sound capital base so as to maintain investor, creditor and market confidence and to sustain future development and growth of its business, while at the same time maintaining an appropriate dividend policy to reward shareholders. The Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company seeks to maintain a balance between the higher returns that might be possible with highest levels of borrowings and the advantages and security afforded by a sound capital position. Capital is defined as equity attributable to the equity holders.

The Company's debt to capitalisation ratio as at the balance sheet was as follows:

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Debt	**A**	798,414	801,944	718,592
Total Equity	**B**	248,377	223,507	169,316
Total debt and equity		**1,046,791**	**1,025,451**	**887,908**
Debt-to-capitalization ratio	**(A/B)**	0.76	0.78	0.81

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.40 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2017

		Carrying amount					Fair value			
	Note	Fair value hedging instruments	FVOCI-equity instruments	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Non-current investments	2.3	-	5	-	-	5	-	-	5	5
			5	**-**	**-**	**5**	**-**	**-**	**5**	**5**
Financial assets not measured at fair value										
Trade receivables	2.7	-	-	119,917	-	119,917	-	-	-	-
Cash and cash equivalents	2.8	-	-	14,245	-	14,245	-	-	-	-
Other bank balances	2.8	-	-	7,787	-	7,787	-	-	-	-
Loans	2.9	-	-	8	-	8	-	-	-	-
Other financial assets	2.4 & 2.11	-	-	51,715	-	51,715	-	-	-	-
		-	-	193,672	-	193,672	-	-	-	-
Financial liabilities measured at fair value										
Derivative designated as cash flow hedge	2.16	8,026	-		-	8,026		8,026		8,026
Forward exchange contracts used for hedging	2.21	1,166	-	-	-	1,166		1,166		1,166
		9,192	**-**	**-**	**-**	**9,192**		**9,192**		**9,192**
Financial liabilities not measured at fair value								-		
Borrowings	2.15 & 2.19	-	-	-	768,986	768,986	-			
Trade payables	2.20	-	-	-	29,763	29,763	-			
Other financial liabilities	2.17 & 2.22	-	-	-	35,610	35,610	-	-	-	-
		-	-	-	**834,359**	**834,359**	-	-	-	-

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.40 Financial instruments - Fair values and risk management

31 March 2016

		Carrying amount					Fair value			
	Note	Fair value hedging instruments	FVOCI-equity instruments	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Non-current investments	2.3	-	5	-	-	5	-	-	5	5
		-	**5**	**-**	**-**	**5**	**-**	**-**	**5**	**5**
Financial assets not measured at fair value										
Trade receivables	2.7	-	-	87,518	-	87,518	-	-	-	-
Cash and cash equivalents	2.8	-	-	19,371	-	19,371	-	-	-	-
Other bank balances	2.8	-	-	4,818	-	4,818	-	-	-	-
Loans	2.9	-	-	13	-	13	-	-	-	-
Other financial assets	2.4 & 2.11	-	-	36,799	-	36,799	-	-	-	-
		-	**-**	**148,519**	**-**	**148,519**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
Forward exchange contracts used for hedging	2.21	1,987	-	-	-	1,987	-	1,987	-	1,987
		1,987	**-**	**-**	**-**	**1,987**	**-**	**1,987**	**-**	**1,987**
Financial liabilities not measured at fair value										
Borrowings	2.15 & 2.19	-	-	-	560,187	560,187	-			
Trade payables	2.20	-	-	-	19,060	19,060	-	-	-	
Other financial liabilities	2.17 & 2.22	-	-	-	292,319	292,319	-	-	-	-
		-	**-**	**-**	**871,566**	**871,566**	**-**	**-**	**-**	**-**

01 April 2015

		Carrying amount					Fair value			
	Note	Fair value hedging instruments	FVOCI-equity instruments	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Foreign currency options	2.10	870	-	-	-	870	-	870	-	870
		870	**-**	**-**	**-**	**870**	**-**	**870**	**-**	**870**
Financial assets not measured at fair value										
Cash and cash equivalents	2.8	-	-	16,099	-	16,099	-	-	-	-
Other bank balances	2.8	-	-	4,925	-	4,925	-	-	-	-
Loans	2.9	-	-	6	-	6				
Other financial assets	2.4 & 2.11	-	-	16,135	-	16,135	-	-	-	-
		-	**-**	**37,165**	**-**	**37,165**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value										
Borrowings	2.15 & 2.19	-	-	-	466,803	466,803	-	-	-	-
Other financial liabilities	2.17 & 2.22	-	-	-	318,774	318,774	-	-	-	-
		-	**-**	**-**	**785,577**	**785,577**	**-**	**-**	**-**	**-**

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.40 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values (continued)

i. Valuation techniques and significant unobservable inputs
The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange/ option contracts	The fair value is determined using quoted forward/ option exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable	Not applicable
Swap contracts	"The swap contracts valued based on discounted cash flows analysis whereby the value of the security is equal to the present value of its future cash inflows or outflows. Valuation methodology is broadly consisits of discounting future cash flows for each leg of the bond. The fair value of estimates is subject to a credit risk adjustment that reflects the credit risk of the respective Company and its counterparty; this is claculated based on credit spreads derived from current default swap or bond prices."	Not applicable	Not applicable

B. Financial risk management objectives and policies

The Company's activities exposed it to market risk (including interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk.

As part of the Company's Enterprise Risk Management framework, treasury policies and financial authority limits are documented and reviewed periodically. The policies set out the parameters for management of Company's liquidity, counterparty risk, foreign exchange and derivative transactions and financing.

The Company utilises foreign exchange contracts, foreign exchange swaps, interest rate swaps, and various financial instruments to manage exposures to interest rate and foreign exchange risks arising from operating and financing activities. All such transactions must involve underlying assets or liabilities and no speculative transactions are allowed.

The financial authority limits seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and reduce market risk exposures within acceptable parameters.

i) Interest rate risk

The Company's exposure to market risk for changes in interest rate environment relates mainly to its debt obligations

The Company's policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings.

The Company enters into cross currency interest rate swaps to reduce its exposure to interest rate volatility. In accordance with the Company's policy the duration of such cross currency interest rate swaps must not exceed the tenure of the underlying debt.

The Company's borrowings majorly consists of project funding loans, working capital loans having variable rate of interest.

The interest rate profile of the Company's interest-bearing instruments as reported to management is as follows:

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	31 March 2017	31 March 2016	1 April 2015
Fixed rate instruments			
Financial liabilites	(51,486)	(10,500)	-
	(51,486)	(10,500)	-
Effect of interest rate swaps	(159,503)	-	-
	(210,989)	**(10,500)**	**-**
Variable rate instruments			
Financial assets	9,301	20,302	22,272
Financial liabilites	(746,928)	(791,444)	(718,592)
	(737,627)	**(771,142)**	**(696,320)**
Effect of interest rate swaps	159,503	-	-
	(578,124)	**(771,142)**	**(696,320)**

2.40 Financial instruments - Fair values and risk management

ii Foreign currency risk

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 majority of the Company's assets are located in India. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the its operating and financing activities. The functional currency of the Company is Indian rupee. The currencies in which these transactions are primarily denominated in US dollars (USD), Singapore dollar (SGD), Japanese Yen (JPY) and Euros (Euro).

The Company evaluates the exposure and enters into foreign currency derivative instruments like forward contracts, cross currency interest rate swaps to mitigate the exposure.

The summary quantitative data about the Company's exposure to currency risk (based on notional reports) as reported to the management is as follows:

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	31 March 2017			31 March 2016		1 April 2015	
	Currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency
Financial assets							
Cash on hand	USD	1	-	2	-	2	-
Cash on hand	SGD	-	-	2	-	-	-
Cash on hand	EURO	-	-	-	-	-	-
Advance to suppliers	EURO	1	-	-	-	-	-
Advance to suppliers	USD	7	-	13	-	-	-
Total Financial assets		**9**		**17**		**2**	
Financial liabilities							
Borrowings - ECB and Buyer's credit	USD	(190,500)	(2,918)	(218,699)	(3,297)	(241,942)	(3,863)
Letters of credit	USD	(5,538)	(85)	(1,990)	(30)	-	-
Trade payables	USD	(3,709)	(57)	(3,359)	(51)	-	-
Trade payables	SGD	(143)	(3)	(209)	(4)	-	-
Trade payables	JPY	-	-	(306)	(517)	-	-
Other financial liabilities	USD	(2,357)	(36)	(16,656)	(251)	(34,568)	(552)
Other financial liabilities	SGD	-	-	-	-	(29)	(1)
Other financial liabilities	EURO	-	-	(90)	(1)	-	-
Total Financial liabilities		**(202,247)**		**(241,309)**		**(276,539)**	
Net Financial liabilities		**(202,238)**		**(241,292)**		**(276,537)**	
less:							
Foreign exchange forward contracts	USD	31,683	468	232,173	3,500	-	-
Cross currency interest rate swaps	USD	164,205	2,460	-	-	-	-
Option contract	USD	-	-	-	-	194,155	3,100
Total		**195,888**		**232,173**		**194,155**	
Net exposure in respect of recognized assets/ (liabilities)		**(6,350)**		**(9,119)**		**(82,382)**	

Sensitivity analysis

A reasonably possible strengthening (weakening) of Indian rupee against US dollar, Euros, Japanese Yen or Singapore Dollar as at 31 March 2017 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast purchases.

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2017				
USD (5% movement)	310	(310)	310	(310)
SGD (5% movement)	7	(7)	7	(7)
JPY (5% movement)	-	-	-	-
Euro (5% movement)	-	-	-	-
31 March 2016				
USD (5% movement)	426	(426)	426	(426)
SGD (5% movement)	10	(10)	10	(10)
JPY (5% movement)	15	(15)	15	(15)
Euro (5% movement)	5	(5)	5	(5)

Derivative financial instruments

The fair value of foreign exchange contracts, option contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current market price. The fair values of interest rate swaps and cross currency swaps are the indicative amounts that the Company is expected to receive or pay to terminate the swap with the swap counterparties at the balance sheet date.

The following table gives details in respect of outstanding foreign exchange forward, foreign currency cross currency swap and option contract:

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Derivatives designated as cash flow hedges						
Cross-currency interest swap rates						
In USD	2,460	164,205	-	-	-	-
Forward contracts						
In USD	468	31,683	3,500	232,173	-	-
Option contracts						
In USD	-	-	-	-	3,100	194,155
Total		**195,888**		**232,173**		**194,155**

2.40 Financial instruments - Fair values and risk management

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date.

Particulars	As of		
	31 March 2017	31 March 2016	1 April 2015
Not later than one month	11,674	218,859	-
Later than one month and not later than three months	4,929	3,915	194,155
Later than three months and not later than one year	19,418	9,399	-
	36,021	**232,173**	**194,155**

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer, employee or counterparty to a financial instrument fails to meet it contractual obligation leading to financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks, and other financial assets.

The carrying amounts of the financial assets as disclosed in note no 2.4, 2.7 and 2.11 represent the maximum credit risk exposure.

Trade receivables

The Company has exposure to credit risk from a limited customer group on account of specialised nature of business, i.e sale of power. The Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed undertakings which are sovereign backed and other large cooperates.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to the customer credit risk management. Credit quality of a customer is assessed based on their past performance. Outstanding customer receivables are regularly monitored and taken up on case to case basis.

The Company has adopted a policy of dealing with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of its customers are continuously monitored.

The credit risk for liquid funds and other current and non-current financial assets is considered neglible, since the counterparties are reputable banks with high quality external credit ratings and from group companies.

As at 31 March 2017, the Company has 2 customers (31 March 2016: 2 customers) that owed the Company more than ₹20,000 Lakhs each and accounted for approximately 99% (31 March 2016: 95%) of the all the trade receivable outstanding.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financing activities. The Company's approach to managing liquidity is to ensure, as far as possible that it will have sufficient liquidity to meet its liability when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are adequate and available to the Company to meet its obligations.

The table below provides details regarding the contractual maturities of significant financial liabilities as of the reporting date. The amounts are gross and discounted.

As at 31 March 2017

Particulars	Carrying value	Contractual cash flows			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term	652,732	78,931	434,921	620,134	1,133,986
Borrowings - short-term	145,682	145,682	-	-	145,682
Trade payables	29,763	29,763	-	-	29,763
Other financial liabilities (excluding current maturities of borrowings)	6,182	6,073	109	-	6,182
Cross currency swap contract (Non-Current)	8,026	13,644	57,336	-	70,980
Foreign currency forward contracts (Current)	1,166	1,166	-	-	1,166
	843,551	**275,259**	**492,366**	**620,134**	**1,387,759**

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

As at 31 March 2016

Particulars	Carrying value	Contractual cash flows			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term	698,008	306,001	371,218	419,176	1,096,395
Borrowings - short-term	103,936	103,936	-	-	103,936
Trade payables	19,060	19,060	-	-	19,060
Foreign currency forward contracts (Current)	1,987	1,987	-	-	1,987
Other financial liabilities (excluding current maturities of borrowings)	50,562	50,562	-	-	50,562
Foreign currency forward contracts (Current)	**873,553**	**481,546**	**371,218**	**419,176**	**1,271,940**

As at 01 April 2015

Particulars	Carrying value	Contractual cash flows			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term	713,446	315,116	247,487	585,440	1,148,043
Borrowings - short-term	5,146	5,146	-	-	5,146
Other financial liabilities (excluding current maturities of borrowings)	66,985	66,985	-	-	66,985
	785,577	**387,247**	**247,487**	**585,440**	**1,220,174**

2.41 Related party disclosure
a) List of related partie

Name of the party	Nature of relationship
Sembcorp Industries Ltd, Singapore	Ultimate holding company
Sembcorp Utilities Pte Ltd, Singapore	Holding company
TPCIL Singapore Pte Ltd, Singapore	Subsidiary
Sembcorp India Private Limited, India	Entity under common control
Sembcorp Gayatri Power Limited, India	Entity under common control
Sembcorp Green Infra Limited,India	Entity under common control
Gayatri Projects Limited, India	Significant influence
Gayatri Energy Ventures Private Limited	Significant influence
Deep Corporation Private Limited, India	Key management personnel having significant influence
Gayatri Hi-Tech Hotels Limited, India	Key management personnel having significant influence
T V Sandeep Kumar Reddy	Key management personnel - Director (Managing Director till 18 May 2016)
Tang Kin Fei	Key management personnel - Chairman (upto 31 March 2017)
Atul Mohan Nargund	Key management personnel - Managing Director (Chief Executive Officer till 18 May 2016) (Managing Director till 16 April 2017)
Neil Garry Mcgregor	Additional Director (from 1 April 2017)
Vipul Tuli	Additional Director (from 17 April 2017)
B N K Reddy	Chief Financial Officer
Nagamani Alluri	Company Secretary

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

b) The following are the transactions with related parties during the year

		For the year ended 31 March 2017	For the year ended 31 March 2016
1.	**Contract work**		
	Gayatri Projects Limited	2,614	4,137
2.	**Rent and utility expense**		
	Deep Corporation Private Limited	53	67
	Gayatri Hi-Tech Hotels Limited	6	7
3.	**Lease rental expenses**		
	Sembcorp Gayatri Power Limited	3	-
4.	**Project development/consultancy expenses**		
	Sembcorp India Private Limited	-	634
	Sembcorp Utilities Pte Ltd	752	787
	Sembcorp Utilities India Private Limited	-	-
	Deep Corporation Private Limited	-	20
	Gayatri Hi-Tech Hotels Limited	-	1
	Gayatri Projects Limited	1,500	-
5.	**Bank guarantee fees/ commission**		
	Gayatri Projects Limited	123	197
	Sembcorp Utilities Pte Ltd	1,592	1,415
6.	**Money received from issue of share capital including share premium**		
	Sembcorp Utilities Pte Ltd	35,808	64,173
	Gayatri Energy Ventures Private Limited	-	2
7.	**Capital advances made**		
	Gayatri Projects Limited	612	1,045
8.	**Reimbursement of expenses**		
	Sembcorp Utilities Pte Ltd	64	99
	Gayatri Energy Ventures Private Limited	-	13
	Sembcorp India Private Limited	55	-
9.	**Township development expenses**		
	Gayatri Projects Limited	-	109
10.	**Investment in subsidiary**		
	TPCIL Singapore Pte Ltd	-	5

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

		For the year ended 31 March 2017	For the year ended 31 March 2016
11.	**Claim received against purchase of raw Materials**		
	Semcorp Gulf O&M company limited	-	582
12.	**Manpower Consultancy charges**		
	Sembcorp India Pvt Ltd	954	1,602
13.	**Sale of electricity**		
	Sembcorp Gayatri Power Limited	5,418	-
14.	**Purchase of inventories**		
	Sembcorp Gayatri Power Limited	2,457	-
15	**Lease rent income**		
	Sembcorp Gayatri Power Limited	4	-
16.	**Salaries to key managerial person ***		
	B N K Reddy	84	80
	Nagamani Alluri	15	13

* The Key management personnel are eligible for retirement benefits viz., gratuity and compensated absences in accordance with the policy of the Company. The proportionate retirement benefit expense pertaining to the managerial personnel has not been included in the aforementioned disclosures as separate amounts are not available for Directors/Key management personnel.

c) Details of related party balances is as under:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Related party receivables			
Gayatri Projects Limited (margin money deposit) - Gross	6,796	6,796	6,271
Gayatri Projects Limited (advance against projects)	-	341	2,758
Sembcorp Utilities Pte Limited	2	-	4
Sembcorp Gayatri O & M Company Limited	-	-	27
Sembcorp Gayatri Power Limited	128	-	-
	6,926	**7,137**	**9,060**
Related party payables			
Gayatri Projects Limited	478	371	497
Sembcorp Utilities Pte Ltd	987	835	1,319
Sembcorp India Private Limited	255	208	565
Gayatri Hi-Tech Hotels Limited	2	1	
Deep Corporation Private Limited	1	-	2

Thermal Powertech Corporation India Limited
2. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Gayatri Energy Ventures Private Limited	-	-	2
Sembcorp Gulf O & M Company Limited	-	-	3,126
	1,723	**1,415**	**5,511**
Investment in subsidiary			
TPCIL Singapore Pte. Ltd	5	5	-
Corporate guarantee for term loan			
Gayatri Projects Limited	**-**	**501,132**	**473,600**
(Represents the amount of facility availed outstanding)			
Corporate Guarantee for External Commercial Borrowings/ buyers credit facility			
Sembcorp Utilities Pte Ltd	**159,503**	**199,109**	**241,922**
(Represents the amount of facility availed)			

2.42. Standards issued but not effective
In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7,'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' . The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7:
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the standalone Ind AS financial statements.

First time adoption of Ind AS

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below

A. Optional exemptions availed

i. Deemed cost for property, plant and equipment and intangible assets
On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as at 1 April 2015 measured as per the previous GAAP, and use that carrying value as the deemed cost of such the property, plant and equipment and intangible assets (Refer Note no. 2.1).

ii. Exchange differences arising on long-term foreign currency monetary items
The Company has elected to avail the exemption under Ind AS 101 First-time Adoption of Indian Accounting Standards to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

iii. Classification and measurement of financial assets
The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Thermal Powertech Corporation India Limited
3. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS (Continued)

B. Mandatory exceptions

Estimates
The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

C. Reconciliation between Indian GAAP and Ind AS
Ind AS 101 requires an entity to reconcile equity,total comprehensive income and cash flows for prior periods.The following tables represent the reconciliation from previous Indian GAAP to Ind AS.

Reconciliation of equity as at the date of transition (1 April 2015)

			Foot notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
ASSETS						
I Non-current assets						
	(a)	Property, plant and equipment		23,672	-	23,672
	(b)	Capital work-in-progress		852,015	-	852,015
	(c)	Other intangible assets		318	-	318
	(d)	Financial assets				
		Other financial assets	1	9,582	(128)	9,454
	(e)	Other tax assets		1,127		1,127
	(e)	Other non-current assets	2	27,912	(1,528)	26,384
		Total non- current assets		**914,626**	**(1,656)**	**912,970**
II Current assets						
	(a)	Inventories		11,679	-	11,679
	(b)	Financial assets				
		(i) Cash and cash equivalents		16,099	-	16,099
		(ii) Bank balances other than (i) above		4,925	-	4,925
		(iii) Loans		6	-	6
		(iv) Derivative	3,4	-	870	870
		(v) Other financial assets		6,681		6,681
	(c)	**Other current assets**	2	**2,852**	**(381)**	**2,471**
		Total current assets		**42,242**	**489**	**42,731**
		Total assets		**956,868**	**(1,167)**	**955,701**
EQUITY AND LIABILITIES						
EQUITY						
	(a)	Equity share capital		84,009	-	84,009
	(b)	Other equity				-
		(i) Securities premium		85,773	-	85,773
		(ii) Retained earnings	A	(1,374)	909	(465)
		(iii) Others (including other comprehensive income)		-	(1)	(1)
		Total Equity		**168,408**	**908**	**169,316**

Thermal Powertech Corporation India Limited
3. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS (Continued)

			Foot notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
LIABILITIES						
I	**Non-current liabilities**					
	(a)	Financial liabilities				
		Borrowings	5	463,732	(2,075)	461,657
	(b)	Provisions		45	-	45
		Total non-current liabilities		**463,777**	**(2,075)**	**461,702**
II	**Current liabilities**					
	(a)	**Financial liabilities**				
		(i) Borrowings		5,146	-	5,146
		(ii) Other financial liabilities		318,774	-	318,774
	(b)	Other current liabilities		755	-	755
	(c)	Provisions		8	-	8
		Total current liabilities		**324,683**	**-**	**324,683**
		Total liabilities		**788,460**	**(2,075)**	**786,385**
		Total Equity and liabilities		**956,868**	**(1,167)**	**955,701**

Thermal Powertech Corporation India Limited
3. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS

C. Reconciliation between Indian GAAP and Ind AS

Reconciliation of equity as at the date of transition 31 March 2016

			Foot notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
ASSETS						
I	**Non-current assets**					
	(a)	Property, plant and equipment		893,317	-	893,317
	(b)	Capital work-in-progress		7,813	-	7,813
	(c)	Other intangible assets		261	-	261
	(d)	Financial assets				-
		(i) Investments		5	-	5
		(ii) Loans		-	-	-
		(iii) Other financial assets		5,035	-	5,035
	e	Other tax assets		1,645	-	1,645
	f	Other non-current assets	**2**	12,331	(2,017)	10,314
		Total non- current assets		**920,407**	**(2,017)**	**918,390**
II	**Current assets**					
	a	Inventories		30,930		30,930
	b	Financial assets				
		(i) Trade receivables	5	87,803	(285)	87,518
		(ii) Cash and cash equivalents		19,371	-	19,371
		(iii) Bank balances other than (i) above		4,818	-	4,818
		(iv) Loans		13	-	13
		(v) Other financial assets	**1**	31,811	(47)	31,764
	c	Other current assets	2	5,404	(190)	5,214
		Total current assets		**180,150**	(522)	179,628
		Total assets		**1,100,557**	**(2,539)**	**1,098,018**
EQUITY AND LIABILITIES						
EQUITY						
	(a)	Equity share capital		148,183	-	148,183
	(b)	Other equity				
		(i) Securities premium		85,773	-	85,773
		(ii) Retained earnings	A	(8,953)	(1,471)	(10,424)
		(iii) Others (including other comprehensive income)		-	(25)	(25)
		Total Equity		225,003	(1,496)	223,507

Thermal Powertech Corporation India Limited
3. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS

C. Reconciliation between Indian GAAP and Ind AS

Reconciliation of equity as at the date of transition 31 March 2016

			Foot notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
LIABILITIES						
i	**Non-current liabilities**					
	(a)	Financial liabilities				
		Borrowings	5	458,484	(2,233)	456,251
	(b)	Provisions		306	-	306
		Total non-current liabilities		**458,790**	**(2,233)**	**456,557**
II	**Current liabilities**					
	(a)	Financial liabilities				
		(i) Borrowings		103,936	-	103,936
		(ii) Trade payables		19,060	-	19,060
		(iii) Derivatives	3	395	1,592	1,987
		(iv) Other financial liabilities	7	292,721	(402)	292,319
	(b)	Other current liabilities		637	-	637
	(c)	Provisions		15	-	15
		Total current liabilities		**416,764**	**1,190**	**417,954**
		Total liabilities		**875,554**	**(1,043)**	**874,511**
		Total Equity and liabilities		**1,100,557**	**(2,539)**	**1,098,018**

Thermal Powertech Corporation India Limited
3. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS (Continued)

C. Reconciliation between Indian GAAP and Ind AS (Continued)

Reconciliation of equity as at the date of transition 31 March 2016

		Foot notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
I	**Revenue**				
	Revenue from operations	8	241,125	(1,247)	239,878
	Other income	9	1,730	81	1,811
	Total Income		**242,855**	**(1,166)**	**241,689**
II	**Expenses**				
	Cost of fuel		120,671	-	120,671
	Transmission charges		6,269	-	6,269
	Employee benefit expense	10	4,647	(24)	4,623
	Finance costs	3, 4, 7, 11	72,359	2,593	74,952
	Depreciation and amortisation expense		28,724	-	28,724
	Other expenses	12	17,766	(1,357)	16,409
	Total expenses		**250,436**	**1,212**	**251,648**
III	**Loss for the year**		**(7,581)**	**(2,378)**	**(9,959)**
IV	**Tax expense**		**-**	**-**	**-**
V	**Loss after tax**		**(7,581)**	**(2,378)**	**(9,959)**
VI	**Other comprehensive income**				
	Items that will not be reclassified subsequently to profit and loss				
	Remeasurement of defined benefit liability	**13**	-	(24)	(24)
	Net other comprehensive income not to be reclassified subsequently to profit or loss		-	(24)	(24)
	Total comprehensive income for the year		**(7,581)**	**(2,402)**	**(9,983)**

Thermal Powertech Corporation India Limited
3. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS (continued)

D: Footnotes to first time adoption

1. **Other financial asset**
   Represents fair valuation of interest free deposits as per Ind As 109
2. **Other non current and current assets**
   Adjustments relating to processing fees of borrowings as per effective rate of interest method
3. **Derivatives**
   Represents fair value (Mark to Market) of derivative instruments as per Ind As 109
4. **Other current assets**
   Represents fair value of derivative instruments as referred in Note no. 3
5. **Borrowings**
   Adjustments relating to processing fees of borrowings as per effective rate of interest method.
6. Trade receivables
   Adjustments relating to fair value recognition of trade receivables as per Ind AS 109
7. **Other financial liabilities**
   Represents fair value of derivative instruments as per referred in Note no. 3
8. **Revenue from Operations**
   Adjustments made on account of netting of rebates with the revenue and fair value of receivables as referred in Note no.6
9. **Other income**
   Recognition of finance income in unwinding of discount on interest free deposit given as explained in Note no.1
10. **Employee benefit expense**
    Actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subse quent period as per Ind AS 19 .
11. **Finance cost**
    Adjustments relating to processing fess as per effective interest method
12. **Other expense**
    Adjustment as explained in foot Note no. 3 and 8
13. **Other comprehensive income**
    Under Indian GAAP, the Company was not required to present other comprehensive income separately. Represents actuari al gain and income tax effect on the same recognised in other comprehensive income.

Thermal Powertech Corporation India Limited
3. Notes to the Standalone Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS (Continued)

Reconciliation of total equity between previous GAAP and Ind AS:

	Foot Notes	31 March 2016	1 April 2015
Equity under IGAAP		**225,003**	**168,408**
Adjustments on account of Ind AS:			
Impact due to fair valuation of deposits	1	(47)	(128)
Effect of measurement financial liabilites at amortised cost	2	26	166
Fair valuation of derivative contracts	3	(1,189)	870
Impact due to fair valuation of trade receivables	6	(286)	-
Total adjustments		**(1,496)**	**908**
Total equity as per Ind AS (Paid up equity share capital and other equity)		**223,507**	**169,316**

Total comprehensive income reconciliation for the year ended 31 March 2016:

	Foot Notes	31 March 2016
Loss for the year after exceptional item under previous GAAP		**(7,581)**
Impact due to fair valuation of deposits	1	81
Effect of measurement financial liabilites at amortised cost	2	(140)
Fair valuation of derivative contracts	3	(2,057)
Impact due to fair valuation of trade receivables	6	(285)
Employee benefit expenses (actuarial loss)	10	24
Loss for the year after exceptional item under Ind AS		**(9,959)**
Other comprehensive income		**(24)**
Total comprehensive income		**9,983**

As per our report on standalone Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
CIN: U40103TG2008PCL057031

Vipul Tuli
Additional Director
DIN: 07350892

T. V. Sandeep Kumar Reddy
Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

Auditors' Report

B S R & Associates
Chartered Accountants
8-2-618/2, Reliance Humsafar, IV Floor, Road No.11, Banjara Hills,
Hyderabad - 500 034
Tel: +91 40 3046 5000. Fax : +91 40 3046 5299

Independent Auditors' Report

To The Members of THERMAL POWERTECH CORPORATION INDIA LIMITED

Report on the Consolidated Indian Accounting Standards ('Ind AS') Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Thermal Powertech Corporation India Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Company" or "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2017, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
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 consolidated Ind AS financial statements in accordance with the Standards on Auditing as issued by the Institute of Chartered Accountants of India, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group as at 31 March 2017, and its consolidated loss (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflects total assets of Rs. 1.92 lakhs as at 31 March 2017, total revenue of Rs. Nil and net cash flows amounting to Rs. 1.92 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it reflects to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated Ind AS financial statements;

b). In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;

c). The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income) and the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d). In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e). On the basis of written representations received from the directors of the Holding Company as on 31 March 2017, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March 2017 from being appointed as a director of the Company 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; to this report and

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 consolidated Ind AS financial statements have disclosed the impact of pending litigations as at 31 March 2017 on its financial position in its consolidated Ind AS financial statements

– Refer Note 2.28 to the consolidated Ind AS financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group; and

iv. The Holding Company has provided requisite disclosures in Note 2.7 to these consolidated Ind AS financial statements as to the holdings of Specified Bank Notes on 8 November 2016 and 30 December 2016 as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For **B S R & Associates, LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Date: 31 May 2017
Place: Hyderabad

Hemant Maheshwari
Partner
Membership Number: 096537

Annexure A to the Independent Auditor's Report on consolidated Ind AS financial statements

With reference to, the Annexure A in our report of even date to the Members of the Company on the consolidated Ind AS financial statements for the year ended 31 March 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of the Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Thermal Powertech Corporation India Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' 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, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

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

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 consolidated Ind AS financial statements for external purposes in accordance with the 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 consolidated Ind AS 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 unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B S R & Associates, LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Date: 31 May 2017
Place: Hyderabad

Hemant Maheshwari
Partner
Membership Number: 096537

Thermal Powertech Corporation India Limited
Consolidated Balance Sheet
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

			Note	As at 31 March 2017	As at 31 March 2016
ASSETS					
I		**Non-current assets**			
	(a)	Property, plant and equipment	2.1	8,50,348	8,93,317
	(b)	Capital work-in-progress	2.1	6,709	7,813
	(c)	Other intangible assets	2.2	197	261
	(d)	Financial assets			
		(i) Other financial assets	2.3	-	5,035
	(e)	Other tax assets		1,955	1,645
	(f)	Other non-current assets	2.4	113	10,314
		Total non- current assets		**8,59,322**	**9,18,385**
II		**Current assets**			
	(a)	Inventories	2.5	34,005	30,930
	(b)	Financial assets			
		(i) Trade receivables	2.6	1,19,917	87,518
		(ii) Cash and cash equivalents	2.7	14,247	19,376
		(iii) Bank balances other than (i) above	2.7	7,787	4,818
		(iv) Loans	2.8	8	13
		(vi) Other financial assets	2.9	51,715	31,764
	(c)	Other current assets	2.10	5,963	5,214
		Total current assets		**2,33,642**	**1,79,633**
		Total assets		**10,92,964**	**10,98,018**
EQUITY AND LIABILITIES					
		EQUITY			
	(a)	Equity share capital	2.11	1,83,992	1,48,183
	(b)	Other equity	2.12		
		(i) Securities premium		85,773	85,773
		(ii) Retained earnings		(18,237)	(10,427)
		(iii) Others (including items of Other Comprehensive Income)		(3,157)	(25)
		Total Equity		**2,48,371**	**2,23,504**

			Note	As at 31 March 2017	As at 31 March 2016
		LIABILITIES			
I		**Non-current liabilities**			
	(a)	Financial liabilities			
		(i) Borrowings	2.13	6,23,304	4,56,251
		(ii) Derivatives	2.14	8,026	-
		(iii) Other financial liabilities	2.15	109	-
	(b)	Provisions	2.16	335	306
		Total non-current liabilities		**6,31,774**	**4,56,557**
II		**Current liabilities**			
	(a)	Financial liabilities			
		(i) Borrowings	2.17	1,45,682	1,03,936
		(ii) Trade payables	2.18	29,766	19,063
		(iii) Derivatives	2.19	1,166	1,987
		(iv) Other financial liabilities	2.20	35,501	2,92,319
	(b)	Other current liabilities	2.21	657	637
	(c)	Provisions	2.22	47	15
		Total current liabilities		**2,12,819**	**4,17,957**
		Total liabilities		**8,44,593**	**8,74,514**
		Total equity and liabilities		**10,92,964**	**10,98,018**
		Significant accounting policies and notes to the consolidated Ind AS financial statements	1, 2 & 3		
		The explanatory notes form an integral part of the consolidated Ind AS financial statements.			

As per our report on consolidated Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
CIN: U40103TG2008PCL057031

Vipul Tuli
Additional Director
DIN: 07350892

T. V. Sandeep Kumar Reddy
Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

Thermal Powertech Corporation India Limited
Consolidated Statements of profit and loss
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

		Note	For the Year ended 31 March 2017	For the year ended 31 March 2016
I	**Revenue**			
	Revenue from operations	2.23	3,40,537	2,39,878
	Other Income	2.24	818	1,811
	Total Income		**3,41,355**	**2,41,689**
II	**Expenses**			
	Cost of fuel		1,75,387	1,20,671
	Transmission charges		3,981	6,269
	Employee benefits expense	2.25	5,110	4,623
	Finance costs	2.26	1,08,661	74,952
	Depreciation and amortisation expense	2.1 & 2.2	35,829	28,724
	Other expenses	2.27	20,197	16,412
	Total expenses		**3,49,165**	**2,51,651**
III	**Loss for the year**		**(7,810)**	**(9,962)**
IV	**Tax expense**		-	-
V	**Loss after tax**		**(7,810)**	**(9,962)**
VI	**Other comprehensive income**			
(A)	**Items that will not be reclassified subsequently to profit or loss**			
	Remeasurement of defined benefit liability		**(62)**	**(24)**
	Net other comprehensive income not to be reclassified subsequently to profit or loss		**(62)**	**(24)**
(B)	**Items that will be reclassified subsequently to profit or loss**			
	Effective portion of changes in fair value of cash flow hedge		(3,070)	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		(3,070)	-

Thermal Powertech Corporation India Limited
Consolidated Statements of profit and loss (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

		Note	For the Year ended 31 March 2017	For the year ended 31 March 2016
VII	**Total comprehensive income for the year**		**(10,942)**	**(9,986)**
	Earnings per equity share (face value of share ₹10 each)			
	Basic and diluted	2.29	**(0.43)**	**(0.72)**
	Significant accounting policies and notes to the consolidated Ind AS financial statements	1, 2 & 3		
	The explanatory notes form an integral part of the consolidated Ind AS financial statements.			

As per our report on consolidated Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
CIN: U40103TG2008PCL057031

Vipul Tuli
Additional Director
DIN: 07350892

T. V. Sandeep Kumar Reddy
Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

Thermal Powertech Corporation India Limited
Consolidated Statements of cash flow
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash flows from operating activities		
Net loss before tax	(7,810)	(9,962)
Adjustments:		
Depreciation and amortisation	35,829	28,724
Finance costs	108,661	74,951
Interest income	(630)	(1,811)
Unwinding of discount in deposits	(47)	(81)
Loss on sale of property, plant and equipment	22	1
Cash flow hedges reclassified from Other comprehensive income	(3,070)	-
Advance written off	5	4
Net exchange differences	11	234
Operating cash flows before working capital changes	132,971	92,060
(Increase) in inventories	(3,075)	(19,251)
(Increase) in trade receivables	(32,399)	(87,518)
(Increase) in unbilled revenue	(19,773)	-
(Increase)/ Decrease in financial and non financial assets	602	(22,669)
Increase in trade payable, other financial liabilities and current liabilites	17,041	21,371
Increase in provisions	61	269
Cash generation from/ (used in) operations	**95,428**	**(15,738)**
Income taxes paid (net)	(310)	(518)
Net cash generated from/ used in operating activities	**95,118**	**(16,256)**
B. Cash flows from investing activities		
Changes in capital work-in-progress	(13,461)	851,758
Acquisition of property, plant and equipment	(8,985)	(898,651)
Acquisition of intangible assets	(114)	-
Proceeds from sale of property, plant and equipment	1	-
Proceeds from sale of other investments	1,708	2,622
Interest received	377	3,838
Net cash used in investing activities	**(20,474)**	**(40,433)**
C. Cash flows from financing activities		
Proceeds from issue of shares including securities premium	35,809	64,175
Proceeds from long-term borrowings	658,987	50,720
Repayment of long-term borrowings	(702,623)	(66,158)
Proceeds from short-term borrowings	537,627	195,701
Repayment of short-term borrowings	(495,881)	(96,910)
Interest and finance charges paid	(113,692)	(87,562)
Net cash (used in)/ from financing activities	**(79,773)**	**59,966**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(5,129)**	**3,277**
Cash and cash equivalents at the beginning of the year	19,376	16,099
Cash and cash equivalents at the end of the year	**14,247**	**19,376**

Note: Components of Cash and cash equivalents comprise:

	As at 31 March 2017	As at 31 March 2016
Cash on hand	7	14
Balance with scheduled banks		
-in current accounts	12,726	8,555
-in deposit accounts	1,514	10,807
Total cash and cash equivalents (Refer note no. 2.7)	**14,247**	**19,376**

The explanatory notes form an integral part of the standalone Ind AS financial statements.

As per our report on consolidated Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
CIN: U40103TG2008PCL057031

Vipul Tuli
Additional Director
DIN: 07350892

T. V. Sandeep Kumar Reddy
Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

Thermal Powertech Corporation India Limited
Consolidated Statements of changes eqiuty
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	Equity share capital	Other equity				Total equity
		Reserves and Surplus		Other comprehensive statement		
		Securities premium reserve	Retained earnings	Effective portion of Cash flow hedges	Other items of other comprehensive income	
Balance as at 1 April 2015	**84,009**	**85,773**	**(465)**	**-**	**(1)**	**169,316**
Issue of equity shares for cash	64,174	-	-	-	-	64,174
Total comprehensive income for the year ended 31 March 2016						
Loss for the year	-	-	(9,962)	-	-	(9,962)
Other comprehensive income	-	-	-	-	(24)	(24)
Balance as at 31 March 2016	**148,183**	**85,773**	**(10,427)**	**-**	**(25)**	**223,504**

Particulars	Equity share capital	Other equity				Total equity
		Reserves and Surplus		Other comprehensive statement		
		Securities premium reserve	Retained earnings	Effective portion of Cash flow hedges	Other items of other comprehensive income	
Balance as at 1 April 2016	**148,183**	**85,773**	**(10,427)**	**-**	**(25)**	**223,504**
Issue of equity shares for cash	35,809	-	-	-	-	35,809
Total comprehensive income for the year ended 31 March 2017						
Loss for the year	-	-	(7,810)	-	-	(7,810)
Other comprehensive income	-	-	-	(3,070)	(62)	(3,132)
Balance as at 31 March 2017	**183,992**	**85,773**	**(18,237)**	**(3,070)**	**(87)**	**248,371**

Significant accounting policies and notes to the standalone Ind AS financial statements 1, 2, & 3

The explanatory notes form an integral part of the standalone Ind AS financial statements.

As per our report on consolidated Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
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Vipul Tuli
Additional Director
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Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

Thermal Powertech Corporation India Limited
Notes to the consolidated Ind AS financial statements

1.1 Group Information

Thermal Powertech Corporation India Limited ('the Company') was incorporated on 8 January 2008 as a public limited company. The Company has been established for developing, constructing, commissioning, operating and maintaining a 1,320 megawatt (2 X 660 megawatt) coal based thermal power plant at Pynampuram and Nelatur Villages, Muthukur Mandal, Nellore District in the state of Andhra Pradesh. The Company has successfully commenced full commercial operations in September 2015.

The Company, its subsidiary (jointly referred to as the 'Group' herein under) considered in these consolidated Ind AS financial statements are:

Sl. No	Name of the Company	Country of Incorporation	Proportion of ownership interest as at 31 March 2017	Proportion of ownership interest as at 31 March 2016
1.	TPCIL Singapore Pte. Ltd*	Singapore	100%	100%

*The date of incorporation of the company is 18 November 2014.

information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Group's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3.

Subsidiaries are entities where the group exercise or controls more than one-half of its total share capital.

The consolidated Ind AS financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of the Company consolidated Ind AS financial statements.

The consolidated Ind AS financial statements of the Company for the year ended 31 March 2017 were approved for issue in accordance with the resolution of the Board of Directors on 31 May 2017.

Functional and presentation currency

The consolidated Ind AS financial statements are presented in Indian rupees (INR) all the values are rounded off to the nearest Lakhs (INR 00,000) except when otherwise indicated, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees.

2. Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

a) Basis of preparation

These consolidated Ind AS financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These consolidated Ind AS financial statements for the year ended 31 March 2017 are the first the Group has prepared under Ind AS. For all periods up to and including the year ended 31 March 2016, the Group prepared its consolidated Ind AS financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The consolidated Ind AS financial statements for the year ended 31 March 2016 has been restated in accordance with Ind AS for comparative and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/revenue cannot be recovered.

b) Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policy regarding financial instruments)
Derivative instruments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated Ind AS financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the

2.2 Use of estimates and judgements

The preparation of these consolidated Ind AS financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the consolidated Ind AS financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Thermal Powertech Corporation India Limited
Notes to the consolidated Ind AS financial statements (continued)

Assumptions, estimation uncertainties and judgments

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

a. Impairment of investments:

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b. Useful lives of property, plant and equipment:

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Valuation of deferred tax assets:

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.15.

d. Defined benefit plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer note no. 2.32)

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

e. Provisions and contingent liabilities:

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the consolidated Ind AS financial statements. A contingent asset is neither recognised nor disclosed in the consolidated Ind AS financial statements.

2.3 Current and Non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

ii) it is held primarily for the purpose of being traded;

iii) it is expected to be realised within 12 months after the reporting date; or

iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i) it is expected to be settled in the Company's operating cycle;

ii) it is held primarily for the purpose of being traded;

iii) it is due to be settled within 12 months after the reporting date; or

iv) the Company does not have an unconditional right to defer settlement of the liability for atleast 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has identified twelve months as its operating cycle.

2.4 Property, plant and equipment and depreciation

i. Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed item of removing property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use, and estimated costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended used and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment wherever applicable.

ii. Subsequent Expenditure

Subsequent expenditure relating to property, plant and equipment is

Thermal Powertech Corporation India Limited
Notes to the consolidated Ind AS financial statements (continued)

recognised in the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its costs can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised as an expense when incurred.

iii. Disposals

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

iv. Depreciation

Depreciation on property, plant and equipment is provided on straight line method based on the useful life as specified in Schedule II to the Act, except in case of plant and machinery where the estimated useful life has been considered as 25 years, which the Management believes best represent based on internal assessment where necessary, which is different from the useful life as prescribed under Part C of Schedule II of the Act. Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate

Depreciation on additions (disposals) is provided on a pro-rata basis i.e from (upto) the date on which asset is ready for use (disposed of).

Assets whose acquisition cost is less than Rs. 5000/- are fully depreciated in the year of acquisition.

v. Reclassification to investment property

When the use of a property changed from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

2.5 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortisation methods and useful lives are reviewed periodically including at each financial year end. Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under Capital Work-in-Progress.

Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortised on straight line method over the period of legal right to use or life of the related plant or asset, whichever is less.

2.6 Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A Financial asset and liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

a. Subsequent measurement of financial assets

i. Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii. 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.

iii. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

iv. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

v. Investment in Subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

b. Subsequent measurement of financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c. De-recognition of financial instruments

i. Financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers no retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transaction whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

ii. Financial liability

The Group recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Thermal Powertech Corporation India Limited
Notes to the consolidated Ind AS financial statements (continued)

The Group also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

e. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequently to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(a) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through statement of profit and loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in statement of profit and loss.

(b) Cash flow hedge accounting

Where a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised directly in other comprehensive income and presented in the hedging reserve in equity. The ineffective portion of changes in the fair values of the derivative is recognised immediately in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

2.7 Impairment

a. Financial assets (other than at fair value)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses (ECL) to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non-financial assets

Tangible and intangible assets Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.8 Inventories

Inventories which comprise of fuel, stores and spares are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of completion and selling expenses.

Thermal Powertech Corporation India Limited
Notes to the consolidated Ind AS financial statements (continued)

2.9 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss unless it relates to a long term foreign currency monetary item.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the statement of profit and loss unless it relates to a long term foreign currency monetary item.

Non-Monetary assets are recorded at the rate prevailing on the date of the transaction

2.10 Employee benefits

Defined benefit plans:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not be to be subsequently reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit and loss account as past service cost.

Defined contribution plans:

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the statement of profit and loss.

Compensated absences:

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature.
The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Bonus plans:

The Group recognises a liability and an expense for bonus. The Group recognises a provision where contractually obliged or where there a past practice that has created as contractual obligation.

2.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Sales tax/ Value Added Tax ('VAT')/ Service tax is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity/service rendered by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Revenue from energy units sold as per the terms of the Power Purchase Agreements ('PPA') and Letter Of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year. Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers. Revenue/ charges from unscheduled interchange for the deviation in generation with respect to scheduled generation are recognized/ charged at rates notified by Central Electricity Regulatory Commission ('CERC') from time to time as revenue from sale of electricity and adjusted with revenue from sale of electricity.

Revenue from electrical energy transmission charges is recognized on an accrual basis in accordance with the provisions of transmission service agreements.

The Group accounts for fuel and power purchase price adjustment claims in case of claims change in law and etc., as and when allowed by the regulatory authorities and truing-up adjustment claims as and when realized.

Claims for delayed payment charges and any other claims, which the Group is entitled to under the PPAs, are accounted for in the year of acceptance by the customers.

Interest income is recognized based on effective interest rate method.

Dividend income is recognised when the unconditional right to receive the income is established.

2.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

2.13 Earnings / (loss) per share

The basic earnings per share ('EPS') is computed by dividing the net profit or loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.14 Leases

Assets taken on lease under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the leased asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets acquired under leases other than finance leases are classified as operating leases and recorded as expense as and when the payments are made over the lease term. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

2.15 Income taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax reflects the best estimate the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.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 Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

(ii) Deferred tax

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

- Temporary differences on the the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. 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 if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2.16 Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the consolidated Ind AS financial statements.

2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

Thermal Powertech Corporation India Limited

2. Notes to the Consolidated Ind AS Financial Statements (continued)

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.1 Property, plant and equipment and work-in-progress

Particulars	Land (owned)	Land (leased) (Note: 1)	Roads	Office buildings	Factory building	Furniture and fittings	Vehicles	Office equipments	Electrical installations	Plant and equipment (Note: 2)	Computers	Total	Capital work-in-progress
Gross carrying amount													
Deemed cost as on 1 April 2015	9,133	6,220	2,354	2,141	611	405	115	514	945	1,107	127	23,672	852,015
Additions	166	-	10,992	2,822	4,449	192	155	236	14	879,527	59	898,612	45,968
Disposals	30	24	-	-	-	-	-	1	-	-	11	66	
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	890,170
Balance as at 31 March 2016	**9,269**	**6,196**	**13,346**	**4,963**	**5,060**	**597**	**270**	**749**	**959**	**880,634**	**175**	**922,218**	**7,813**
Balance as at 1 April 2016	**9,269**	**6,196**	**13,346**	**4,963**	**5,060**	**597**	**270**	**749**	**959**	**880,634**	**175**	**922,218**	**7,813**
Additions	93	-	808	56	190	12	197	93	-	7,457	79	8,985	10,893
Adjustments	-	-	251	-	32	-	-	-	-	15,996	-	16,279	5,157
Disposals	-	-	-	-	-	15	-	3	-	9	14	41	-
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	6,840
Balance as at 31 March 2017	**9,362**	**6,196**	**13,903**	**5,019**	**5,218**	**594**	**467**	**839**	**959**	**872,086**	**240**	**914,883**	**6,709**
Accumulated depreciation													
Depreciation for the year	-	-	1,170	88	178	55	22	273	134	26,979	13	28,912	-
Disposals	-	-	-	-	-	-	-	-	-	-	11	11	-
Balance as at 31 March 2016	**-**	**-**	**1,170**	**88**	**178**	**55**	**22**	**273**	**134**	**26,979**	**2**	**28,901**	**-**
Balance as at 1 April 2016	**-**	**-**	**1,170**	**88**	**178**	**55**	**22**	**273**	**134**	**26,979**	**2**	**28,901**	**-**
Depreciation for the year			1,336	119	190	58	59	173	135	33,493	88	35,651	-
Disposals			-	-	-	4	-	2	-	1	10	17	-
Balance as at 31 March 2017	**-**	**-**	**2,506**	**207**	**368**	**109**	**81**	**444**	**269**	**60,471**	**80**	**64,535**	**-**
Carrying amounts (net)													
As at 31 March 2016	**9,269**	**6,196**	**12,176**	**4,875**	**4,882**	**542**	**248**	**476**	**825**	**853,655**	**173**	**893,317**	**7,813**
As at 31 March 2017	**9,362**	**6,196**	**11,397**	**4,812**	**4,850**	**485**	**386**	**395**	**690**	**811,615**	**160**	**850,348**	**6,709**

Note: 1

The Company had entered into an agreement with Andhra Pradesh Industrial Infrastructure Corporation Ltd. ('APIIC') for occupation of two tranches of land. One tranche of land was transferred to the Company as freehold land. For the other tranche of land, admeasuring Acre 680.55cents, a lease deed for a period of 21 years was entered with APIIC on 25 November 2009. As per the lease deed, APIIC agreed to sell the land even during the subsistence of the lease deed on securing necessary clearances and approvals for such sale to the Company on such mutually agreed terms and conditions. Further, in the unlikely event of transferring the land through sale to the Company, APIIC agreed to renew the lease for a further period on such mutually agreed terms and conditions. All the requirements of the agreement including the payment of consideration of ₹6,125 Lakhs has been complied with by the Company to purchase the land. The said consideration was paid on 12 November 2009 and the same has been considered as cost of land. The Company received legal advice on the delay and there has been no indication that suggested that the delay in sale of land was not only administrative in nature and the said sale will happen in due course. Further, APIIC has also confirmed that it agrees to renew the lease for a further period on such mutually agreed terms and conditions in the unlikely event that the sale is not completed then. Accordingly, the estimates of useful lives of assets is considered to be appropriate.

Note: 2

As per option given in Ind As 101 "First-time Adoption of Indian Accounting Standards" the first - time adopter can continue the capitalisation of exchange difference arising on translation of long term monetary liabilities which are existing as on 31 March 2016. Accordingly, the Company has opted for capitalisation of exchange difference in respect of long term monetary liabilities. The total amount of exchange difference capitalised during year amounting to of Rs.1,756 Lakhs (31 March 2016: Rs. 49,167 Lakhs).

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.2 Other intangible assets

Particulars	Computer software	Total
Gross carrying amount		
Balance as at 1 April 2015	318	318
Additions	94	94
Balance as at 31 March 2016	**412**	**412**
Balance as at 1 April 2016	**412**	**412**
Additions	114	114
Balance as at 31 March 2017	**526**	**526**
Accumulated amortisation		
Amortisation for the year	151	151
Balance as at 31 March 2016	**151**	**151**
Balance as at 1 April 2016	**151**	**151**
Amortisation for the year	178	178
Balance as at 31 March 2017	**329**	**329**
Carrying amounts (net)		
As at 31 March 2016	**261**	**261**
As at 31 March 2017	**197**	**197**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As As at 31 March 2017	As As at 31 March 2016
2.3 Other non-current financial assets *(Unsecured considered good)*		
Security deposits	-	76
Margin money deposits to related party (Refer note no. 2.39)	-	-
Interest accrued on deposits	-	282
Bank deposits due to mature after 12 months of the reporting date	-	4,677
	-	**5,035**
2.4 Other non-current assets		
Capital advances	88	7,778
Advances other than capital advances		
Other advances		
- Advance recoverable in cash or kind	-	2,500
- Prepayments	25	36
	113	**10,314**
2.5 Inventories *(Valued at lower of cost and net realisable value)*		
Fuel (includes goods in transit amounting to ₹9,997 Lakhs; 31 March 2016: ₹5,478 Lakhs)	24,028	22,257
Stores and spares	9,977	8,673
	34,005	**30,930**
2.6 Trade receivables		
Unsecured, considered good*	119,917	87,518
	119,917	**87,518**

*includes receivables against which the Company holds revolving letter of credit from two customers.

(i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) For trade receivables from related parties Refer note no: 2.39

(iii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note no: 2.38.

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As As at 31 March 2017	As As at 31 March 2016
2.7 Cash and cash equivalents Balance with banks		
-In current accounts	12,726	8,555
-Deposits with maturity of less than three months	1,514	10,807
Cash on hand *	7	14
	14,247	**19,376**
Bank balances other than those disclosed above		
Deposits due to mature after three months but before twelve months from the reporting date**	7,787	4,818
	7,787	**4,818**

* Cash on hand includes ₹2 Lakhs (31 March 2016: ₹4 Lakhs) held in foreign currency.
**** Represents ₹7,787 Lakhs (31 March 2016: ₹4,818 Lakhs;)** held as margin money towards bank guarantees.

There are no repatriation restrictions with regard to cash and cash equivalents as at he end of reporting period and prior period.

Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 is as under:

Particulars	SBN	Other denominination notes	Total
Closing cash in hand as on 8 November 2016	4	-	4
Add: permitted receipts	-	8	8
Less: permitted payments	-	2	2
Less: Amount deposited in banks	4	-	4
Closing cash in hand as on 30 December 2016	**-**	**6**	**6**

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

2.8 Loans *(Unsecured, considered good unless otherwise stated)*		
Loans to employees	**8**	**13**
	8	**13**
2.9 Other financial assets		
(Unsecured, considered good)		
Security deposits		
- Rental deposits	4	5
- Electricity deposits	60	-
- Other deposits	26	5
Margin money deposits to related party (Refer note no. 2.39)	6,796	6,749
Staff advances	10	3

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	Other denominination notes	Total
Interest accrued on deposits	1,274	692
Unbilled revenue	43,545	23,772
Insurance claim receivable	-	538
	51,715	**31,764**
2.10 Other current assets		
Advances to suppliers	3,989	3,646
Balance with government authorities	-	-
Prepayments	1,974	1,561
Unamortised processing fees	-	-
Other advance	-	7
	5,963	**5,214**

	As As at 31 March 2017	As As at 31 March 2016
2.11 Equity share capital		
Authorised **Equity shares**		
3,009,803,921 (31 March 2016: 3,009,803,921) equity shares of ₹10 each	300,980	300,980
Preference shares		
490,196,079 (31 March 2016: 490,196,079) 5% Cumulative participatory redeemable convertible preference shares ("CPRCPS") of ₹10 each	49,020	49,020
	350,000	**350,000**
Issued, Subscribed and fully paid up		
1,839,915,548 (31 March 2016: 1,481,830,736) equity shares of ₹10 each fully paid up *	183,992	148,183
	183,992	**148,183**

Of the above issued, subscribed and fully paid up share capital 1,598,299,574 (31 March 2016: 1,240,214,762) equity shares of ₹10 each, fully paid-up are held by Sembcorp Utilities Pte Ltd, the holding company.

* 643,970,442 (31 March 2016: 1,340,519,230) equity shares of ₹10 each, fully paid up are pledged against secured term loans.

The reconciliation of shares outstanding at the beginning and at the end of reporting period is set out below:
Equity shares

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number in Lakhs	Amount in Rs	Number in Lakhs	Amount in Rs
Shares outstanding at the beginning of the year	14,818	148,183	8,401	84,009
Shares issued during the year	3,581	35,809	6,417	64,174
Shares outstanding at the end of the year	18,399	183,992	14,818	148,183

The details of shareholder holding more than 5% shares along with number of equity shared held is set below: Equity Shares

Name of shareholder	As at 31 March 2017		As at 31 March 2016	
	Number in Lakhs	% of holding	Number in Lakhs	% of holding
Sembcorp Utilities Pte Limited, Singapore	15,983	86.87%	12,402	83.69%
Gayatri Energy Ventures Private Limited	2,416	13.13%	2,416	16.31%

Terms and rights attached to equity shares:

Equity shares of the Company have a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.12 Other equity

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit or loss and other comprehensive income less dividend distribution and transfers to general reserve.

Other items of OCI

Effective portion of cash flow hedges

This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instrument related to hedged transactions that have not yet occured.

Remeasurement of defined benefit liability

Comprises of actuarial gains/losses and return on plan assets excluding interest income.

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As at 31 Mach 2017	As at 31 March 2016
2.13 Borrowings		
Non-current borrowings		
Secured		
Term loans		
-from banks	623,304	128,475
-from financial institutions	-	327,776
	623,304	456,251

Term loans from banks are secured by way of:

1. First ranking pari passu charge of registered mortgage of freehold land of 160 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh.
2. Pledge of 643,970,442 (31 March 2016: 1,340,519,230) equity shares of ₹10 each fully paid up of the Company.
3. First ranking pari passu charge over all the present and future assets (both tangible and intangible) of the Company.
4. The borrowing as at 31 March 2016 are secured by Coprorate guarantee of Gayatri Power Limited (Refer note no. 2.39)

a. Terms of repayment

During the year the term loans borrowed against the common loan agreement dated 13 September 2010 were repaid and refinanced with rupee term loans from consortium of lenders agreement dated 24 October 2016 lead by State Bank of India ('SBI'). Rupee Term Loan facility - I are repayable in 79 quarterly installments commencing from 31 December 2016 and Rupee Term Loan facility - II are payable in 77 quarterly instalments commencing from 30 June 2017.The rupee term loans in respect of facility - 1 and II carries an interest of SBI MCLR plus 1.25% p.a. The term loans carries an interest rate of 10.15% to 14.75% p.a (31 March 2016: 11.50% to 14% p.a.).

b. External Commercial Borrowings

The External Commercial Borrowings (ECB) are payable in 20 quarterly instalments commencing from 30 June 2017. ECB loan carry interest at 3 Month USD Libor plus 1.15% p.a (31 March 2016). ECB loans are guaranteed by Sembcorp Utilities Pte Ltd, the holding company of the the Company.

c. Buyers credit for project constuction

Buyers credit carries LIBOR based interest in range of Nil (31 March 2016: 1.61% to 2.37% p.a.) The buyers credit facility has been guaranteed by Sembcorp Utilities Pte Ltd, in the form of corporate guarantee and is repayable within a period not exceeding 3 years from the date of shipment or 29 April 2016 which ever is later as per revised terms of payment.

2.14 Non-current Derivative

	As at 31 Mach 2017	As at 31 March 2016
Non-current		
Derivative designated as cash flow hedge	8,026	-
	8,026	**-**
2.15 Other financial liabilities		
Non-current		
Retention bonus payable	109	-
	109	**-**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As at 31 Mach 2017	As at 31 March 2016
2.16 Provisions		
Non-current		
Provision for employee benefits		
- Gratuity (Refer note no: 2.32)	17	-
- Compensated absences	318	306
	335	**306**

	As at 31 Mach 2017	As at 31 March 2016
2.17 Borrowings		
Current borrowings		
Secured		
Loans repayable on demand		
- Working capital loans from banks including buyer's credit	145,682	103,936
	145,682	**103,936**

Terms of working capital loans, terms of interest and nature of security - Facilities from Royal Bank of Scotland ("RBS")
Buyers credit carries LIBOR based interest in range of 0.46% to 0.92% p.a. (31 March 2016: 0.46% to 0.92% p.a.)
The working capital borrowing is secured by corporate bank guarantee from Sembcorp Utilities Pte Ltd and Gayatri Energy Ventures Private Limited, in the ratio of respective shareholding at all times.

Terms of working capital loans from banks, terms of interest and nature of security (Other than RBS)
Working capital loans currently carry an interest of 8.50 % to 12.85% p.a. (31 March 2016: 9% to 12.50% p.a; 1 April 2015: 11.75% p.a) and buyers credit carries LIBOR based interest in range of 0.80 % to 2.28% p.a (31 March 2016: 0.80% to 1.34% p.a; 1 April 2015: Nil p.a). The loans are and secured by of mortgage pari passu first charge of registered mortgage of freehold land of 160 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh.

First pari passu charge over all the present and future assets (both tangible and intangible) of the Company.

	As at 31 Mach 2017	As at 31 March 2016
2.18 Trade payables		
Current		
Trade payable to related parties (Refer note no: 2.39)	1,628	1,416
Other trade payables	28,138	17,647
	29,766	**19,063**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As at 31 Mach 2017	As at 31 March 2016
2.19 Derivatives		
Current		
Derivatives not designated as hedge		
Fiar value of forward contracts used for hedging	1,166	1,987
	1,166	**1,987**

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note no. 2.38.

	As at 31 Mach 2017	As at 31 March 2016
2.20 Other financial liabilities		
Current		
Current maturity of long-term debt (Refer note no: 2.13)	29,428	241,757
Interest accrued but not due on borrowings	507	5,538
Capital creditors	1,766	4,013
Salaries payable	1	529
Retention bonus payable	110	469
Retention money payable	3,666	39,953
Other payable	23	60
	35,501	**292,319**
2.21 Other current liabilities		
Current		
Advances from customers	15	2
Due to statutory authorities	642	635
	657	**637**
2.22 Provisions		
Current		
Provision for employee benefits		
- Gratuity (Refer note no: 2.32)	**16**	**-**
- Compensated absences	**31**	**15**
	47	**15**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.23 Revenue from operations		
Sale of electricity	339,802	239,878
Other operating revenue (net)	735	-
	340,537	**239,878**
2.24 Other income		
Interest income under effective interest method on cash and cash equivalents	630	1,730
Unwinding of discount on margin money deposit	47	81
Miscellaneous income, net	141	-
	818	**1,811**
2.25 Employee benefits expense		
Salaries, wages and bonus	4,376	3,956
Contribution to provident and other funds (Refer note no: 2.32)	201	166
Staff welfare expenses	533	501
	5,110	**4,623**
2.26 Finance costs		
Interest expense on financial liabilities measured at amortised cost	85,095	61,066
Other borrowing costs	17,110	3,980
Loss on derivative contracts	6,456	9,906
	108,661	**74,952**
2.27 Other expenses		
Legal and professional fee (Refer note no: 2.35)	3,968	3,143
Compensation for short supply of power & others	1,395	2,152
Consumption of stores, spares and consumables	1,910	1,907
Insurance	2,012	1,074
Repairs and maintenance:		
- Buildings and civil works	406	393
- Plant and equipment	5,981	4,333
- Others	277	172
Loss on foreign currency transactions and translation (net)	1,345	386
Vehicle hire charges	419	504
Security expenses	719	481
Travel and conveyance	420	389
Health and safety expenses	208	262
Commission charges	82	235
Rates and taxes	135	189

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Expenditure on corporate social responsibility (Refer note no. 2.34)	353	145
Advertisement expenses	13	124
Communication expenses	148	122
Rent (Refer note no: 2.30)	57	66
Training and seminar	46	30
Printing and stationery	34	17
Directors' sitting fees	22	14
Advance written off	5	4
Loss on sale of property, plant and equipment	22	1
Miscellaneous expenses	220	269
	20,197	**16,412**

	As at 31 March 2017	As at 31 March 2016
2.28 Contingent liabilities and commitments (to the extent not provided for)		
a. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	4,461	6,063
	4,461	**6,063**

b. Operation and maintenance agreement
The Company has entered into an agreement with Sembcorp Gayatri O&M Company Private Limited (SGOMC) on 11 February 2011 for operation and maintenance of thermal power plant at a fee of ₹ Nil (31 March 2016: ₹1,877 Lakhs) per year subject to future indexation.

c. Claims against the Company not acknowledged as debt in respect of

		As at 31 March 2017	As at 31 March 2016
(i)	In respect of income tax*	2,476	590
(ii)	In respect of cess levied under the Buildings and Other Construction Works(RE&CS) Act,1996	2,872	-
(iii)	Additional charges levied by lender (Financial Institution) **	-	1,283
iv)	Additional interest charged by lender (Bank)	-	47
		5,348	**1,920**

* Tax paid under protest ₹473 Lakhs (31 March 2016: ₹295 Lakhs)

*** The Rural Electrification Corporation Limited (REC) has levied 1% additional interest for non- creation of security over coal conveyor corridor land measuring 23.34 acres. However, the Company had completed security creation on the total land including coal conveyor corridor land by way of signing of declaration of mortgage and handed over agreement of sale of land with APIIC coupled with the possession certificate to REC on 30 June 2015. The Company has accordingly requested REC to withdraw the said levy of additional interest.

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

d. Custom duty benefit availed

The Company had received the provisional Mega Power Project status on 26 September 2011 and hence was exempt from payment of customs duty on import of equipments for the project. The total customs duty benefit availed under the said scheme amounts to ₹78,405 Lakhs. The Company would be required to make payment of the benefits availed in case of non-fulfilment of conditions stipulated for Mega Power Project. In addition to the above, interest would also be levied. The said conditions were required to be fulfilled within 66 months from the date of import for provisional mega power projects. The Company has entered into long term arrangement with Andhra Pradesh and Telangana Power Distribution Companies for power supply of 1,070 MW (Net Capacity) which is 86% of the total plant net generation capacity and submitted a letter dated 2 March 2016 to Ministry of Power for grant of final mega power project status. The Company has received Mega Power Project Status on 19 January 2017 and is in the process of completing formalities with customs department to release bank guarantees placed with them.

2.29 Earnings per share (EPS)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Net loss after tax attributable to the equity shareholders	(7,810)	(9,962)
Number of shares at the beginning of the year	14,818	8,401
Add: Weighted average number of equity shares issued during the year	3,296	5,418
Weighted average number of equity shares outstanding during the year	**18,114**	**13,819**
Basic EPS of par value of Rs.10 (Rs.)	(0.43)	(0.72)
Diluted EPS of par value of Rs.10 (Rs.)	(0.43)	(0.72)

2.30 Leases

The Company has taken rental premises on cancellable operating leases. Lease rental under such cancellable leases amounting to ₹41 Lakhs (31 March 2016: ₹19 Lakhs) has been charged to Statement of profit and loss (net of recoveries).

The Company is also obligated under non-cancellable operating leases for the premises which are renewable at the option of both the lessor and lessee. The total expense incurred during the period under non-cancellable operating lease amounted to ₹16 Lakhs (31 March 2016: ₹65 Lakhs). The total of Future Minimum Lease Payment (MLP) under non-cancellable operating leases is as follows:

Future minimum lease payments

	As at 31 Mach 2017	As at 31 March 2016
Not later than one year	-	14
Later than one year but less than five years	-	-
Later than five year	-	-
Total	**-**	**14**

The Company has transferred lease rentals of Rs. Nil (31 March 2016: Rs. 18 Lakhs) to pre-operative expenditure.

2.31 Segment reporting

The Group is engaged in the business of generation and supply of power, which in the context of Ind AS 108 - "Operating Segments", notified by the Companies (Accounts) Rules, 2014 is considered the only operating segment. The Group is domiciled in India. Since the operations of the Group exist only in India and all its assets are located only in India, disclosures required under paragraphs 32-34 of Ind AS 108 is not required.

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.32 Assets and liabilities relating to employee benefits

i) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the Statement of profit and loss is ₹196 Lakhs (31 March 2016: ₹170 Lakhs) and capitalized during the year is ₹ Nil (31 March 2016: ₹37 Lakhs).

ii) Defined benefit plan

The Company provides gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognized funds in India. Liability with regard to this plan is determined by an actuarial valuation as at the end of the year and are charged to the Statement of profit and loss.

A. Funding

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	Particulars	As at 31 Mach 2017	As at 31 March 2016
B.	**Reconciliation of the present value of defined benefit obligation**		
	Balance at the beginning of the year	133	97
	Current service cost	3	2
	Interest cost	11	8
	Benefits paid	(8)	-
	Actuarial (gains)/ loss recognised in the other comprehensive income		
	- experience adjustments	66	(106)
	- changes in financial assumptions	(5)	132
	Balance at the end of the year	**200**	**133**
	Non-current	183	119
	Current	**17**	**14**
	Reconciliation of the present value of plan assets		
	Balance at the beginning of the year	140	95
	Contrubtions paid into the plan by employer	25	35
	Benefits paid	(8)	-
	Expected return on plan assets	11	8
	Actuarial gain/ (loss) on plan assets	(1)	2
	Acquisition adjustment	-	-
	Balance at the end of the year	**167**	**140**
	Net defined benefit obligation/ (asset)	**33**	**(7)**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

C. Expense recognized in the Statement of profit and loss

	Particulars	31 March 2017	31 March 2016
	Current service cost	3	2
	Interest cost	11	8
	Interest income	(11)	(8)
		3	**2**
	Remeasurements recognised in Other comprehensive income		
	Actuarial (gain)/ loss on defined benefit obligation	61	26
	Return on plan assets excluding interest income	1	(2)
		62	**24**

D. **Plan assets**
Plan assets comprise of the following:

	31 March 2017	31 March 2016
New Group Gratuity Cash Accumulation Plan with LIC	167	140

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
2.35 Auditor's remuneration (excluding service tax)		
- statutory audit fee	17	14
- for other services	32	38
- for reimbursement of expenses	2	1
	51	**53**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
2.36 Deferred tax		
Deferred tax assets		
Unabsorbed loss and depreciation as per Income-tax law	117,801	148,163
Deferred tax liabilities		
Excess of depreciation allowable under Income-tax law over depreciation provided in books	117,801	148,163
	-	-

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

In the absence of reasonable certainty supported by evidence that there will be future taxable income against which such losses can be set off, the deferred tax asset on carry forward unabsorbed depreciation and loss as at 31 March 2017 is created to the extent of deferred tax liability.

2.37 Capital management

"The Group aims to maintain sound capital base so as to maintain investor, creditor and market confidence and to sustain future development and growth of its business, while at the same time maintaining an appropriate dividend policy to reward shareholders. The Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Group seeks to maintain a balance between the higher returns that might be possible with highest levels of borrowings and the advantages and security afforded by a sound capital position. Capital is defined as equity attributable to the equity holders. "

The Company's debt to capitalisation ratio as at the balance sheet was as follows:

Particulars		As at 31 March 2017	As at 31 March 2016
Debt	A	798,414	801,944
Total Equity	B	248,371	223,504
Total debt and equity		**1,046,785**	**1,025,448**
Debt-to-capitalization ratio	**(A/B)**	**0.76**	**0.78**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.38 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2017

		Carrying amount						Fair value			
	Note	"Fair value hedging instruments"	"FVOCI-equity instruments"	"Other financial assets -amortised cost"		"Other financial liabilities - amortised cost"	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value											
Trade receivables	2.6	-		119,917		-	119,917	-	-	-	-
Cash and cash equivalents	2.7	-	-	14,247		-	14,247	-	-	-	-
Other bank balances	2.7	-	-	7,787		-	7,787	-	-	-	-
Loans	2.8	-	-	8		-	8	-	-	-	-
Other financial assets	2.3 & 2.9	-	-	51,715		-	51,715	-	-	-	-
		-	**-**	**193,674**		**-**	**193,674**	**-**	**-**	**-**	**-**
			-								
Financial liabilities measured at fair value											
Derivative designated as cash flow hedge	2.14	8,026		-		-	8,026	-	8,026	-	8,026
Forward exchange contracts used for hedging	2.19	1,166	-	-		-	1,166	-	1,166	-	1,166
		9,192	**-**	**-**		**-**	**9,192**	**-**	**9,192**	**-**	**9,192**
			-								
Financial liabilities not measured at fair value											
Borrowings	2.13 & 2.17	-		-		768,986	768,986	-	-	-	-
Trade payables	2.18	-	-	-		29,766	29,766	-	-	-	-
Other financial liabilities	2.15 & 2.20	-	-	-		35,610	35,610	-	-	-	-
		-	**-**	**-**		**834,362**	**834,362**	**-**	**-**	**-**	**-**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.38 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2016

		Carrying amount						Fair value			
	Note	"Fair value hedging instruments"	"FVOCI-equity instruments"	"Other financial assets -amortised cost"		"Other financial liabilities - amortised cost"	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value											
Trade receivables	2.6	-	-	87,518		-	87,518	-	-	-	-
Cash and cash equivalents	2.7	-	-	19,376		-	19,376	-	-	-	-
Other bank balances	2.7	-	-	4,818		-	4,818	-	-	-	-
Loans	2.8	-	-	13		-	13	-	-	-	-
Other financial assets	2.3 & 2.9	-	-	36,799		-	36,799	-	-	-	-
		-	**-**	**148,524**		**-**	**148,524**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value											
Forward exchange contracts used for hedging	2.19	1,987	-	-		-	1,987	-	1,987	-	1,987
		1,987	**-**	**-**		**-**	**1,987**	**-**	**1,987**	**-**	**1,987**
Financial liabilities not measured at fair value											
Borrowings	**2.13 & 2.17**	**-**	**-**	**-**		**560,187**	**560,187**	**-**	**-**	**-**	**-**
Trade payables	2.18	-	-	-		19,063	19,063	-	-	-	-
Other financial liabilities	2.15 & 2.20	-	-	-		292,319	292,319	-	-	-	-
		-	**-**	**-**		**871,569**	**871,569**	**-**	**-**	**-**	**-**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.38 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values (continued)

i. Valuation techniques and significant unobservable inputs
The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange/option contracts	The fair value is determined using quoted forward/option exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable	Not applicable
Swap contracts	"The swap contracts valued based on discounted cash flows analysis whereby the value of the security is equal to the present value of its future cash inflows or outflows. Valuation methodology is broadly consisits of discounting future cash flows for each leg of the bond. The fair value of estimates is subject to a credit risk adjustment that reflects the credit risk of the respective Group and its counterparty; this is claculated based on credit spreads derived from current default swap or bond prices."	Not applicable	Not applicable

B. Financial risk management objectives and policies

The Group's activities exposed it to market risk (including interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk.

As part of the Group's Enterprise Risk Management framework, treasury policies and financial authority limits are documented and reviewed periodically. The policies set out the parameters for management of Group's liquidity, counterparty risk, foreign exchange and derivative transactions and financing.

The Group utilises foreign exchange contracts, foreign exchange swaps, interest rate swaps, and various financial instruments to manage exposures to interest rate and foreign exchange risks arising from operating and financing activities. All such transactions must involve underlying assets or liabilities and no speculative transactions are allowed.

The financial authority limits seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and reduce market risk exposures within acceptable parameters.

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

i) Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its debt obligations.

The Group's policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings.

The Group enters into cross currency interest rate swaps to reduce its exposure to interest rate volatility. In accordance with the Group's policy the duration of such cross currency interest rate swaps must not exceed the tenure of the underlying debt.

The Group's borrowings majorly consists of project funding loans, working capital loans having variable rate of interest.

The interest rate profile of the Group's interest-bearing instruments as reported to management is as follows:

Particulars	31 March 2017	31 March 2016
Fixed rate instruments		
Financial liabilites	(51,486)	(10,500)
	(51,486)	**(10,500)**
Effect of interest rate swaps	(159,503)	-
	(210,989)	**(10,500)**
Variable rate instruments		
Financial assets	9,301	20,302
Financial liabilites	(746,928)	(791,444)
	(737,627)	**(771,142)**
Effect of interest rate swaps	159,503	-
	(578,124)	**(771,142)**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.38 Financial instruments - Fair values and risk management

ii) Foreign currency risk

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 majority of the Company's assets are located in India. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the its operating and financing activities.

The functional currency of the Company is Indian rupee. The currencies in which these transactions are primarily denominated in US dollars (USD), Singapore dollar (SGD), Japanese Yen (JPY) and Euros (Euro).

The Company evaluates the exposure and enters into foreign currency derivative instruments like forward contracts, cross currency interest rate swaps to mitigate the exposure.

The summary quantitative data about the Company's exposure to currency risk (based on notional reports) as reported to the management is as follows:

	31 March 2017			31 March 2016	
	Currency	INR	Foreign currency	INR	Foreign currency
Financial assets					
Cash on hand	USD	1	-	2	-
Cash on hand	SGD	-	-	2	-
Cash on hand	EURO	-	-	-	-
Advance to suppliers	EURO	1	-	-	-
Advance to suppliers	USD	7	-	13	-
Total Financial assets		**9**		**17**	
Financial liabilities					
Borrowings - ECB and Buyer's credit	USD	(190,500)	(2,918)	(218,699)	(3,297)
Letters of credit	USD	(5,538)	(85)	(1,990)	(30)
Trade payables	USD	(3,709)	(57)	(3,359)	(51)
Trade payables	SGD	(143)	(3)	(209)	(4)
Trade payables	JPY	-	-	(306)	(517)
Other financial liabilities	USD	(2,357)	(36)	(16,656)	(251)
Other financial liabilities	SGD	-	-	-	-
Other financial liabilities	EURO	-	-	(90)	(1)
Total Financial liabilities		**(202,247)**		**(241,309)**	
Net Financial liabilities		**(202,238)**		**(241,292)**	
less:					
Foreign exchange forward contracts	USD	31,683	468	232,173	3,500
Cross currency interest rate swaps	USD	164,205	2,460	-	-
Option contract	USD	-	-	-	-
Total		**195,888**		**232,173**	
Net exposure in respect of recognized assets/ (liabilities)		**(6,350)**		**(9,119)**	

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Sensitivity analysis

A reasonably possible strengthening (weakening) of Indian rupee against US dollar, Euros, Japanese Yen or Singapore Dollar as at 31 March 2017 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast purchases.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2017				
USD (5% movement)	310	(310)	310	(310)
SGD (5% movement)	7	(7)	7	(7)
JPY (5% movement)	-	-	-	-
Euro (5% movement)	-	-	-	-
31 March 2016				
USD (5% movement)	426	(426)	426	(426)
SGD (5% movement)	10	(10)	10	(10)
JPY (5% movement)	15	(15)	15	(15)
Euro (5% movement)	5	(5)	5	(5)

Derivative financial instruments

The fair value of foreign exchange contracts, option contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current market price. The fair values of interest rate swaps and cross currency swaps are the indicative amounts that the Company is expected to receive or pay to terminate the swap with the swap counterparties at the balance sheet date.

The following table gives details in respect of outstanding foreign exchange forward, foreign currency cross currency swap and option contract:

Particulars	31 March 2017		31 March 2016	
	Foreign currency	INR	Foreign currency	INR
Derivatives designated as cash flow hedges				
Cross-currency interest swap rates				
In USD	2,460	164,205	-	-
Forward contracts				
In USD	468	31,683	3,500	232,173
Option contracts				
In USD	-	-	-	-
Total		**195,888**		**232,173**

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.39 Related party disclosure

a) List of related parties

Name of the party	Nature of relationship
Sembcorp Industries Ltd, Singapore	Ultimate holding company
Sembcorp Utilities Pte Ltd, Singapore	Holding company
Sembcorp India Private Limited, India	Entity under common control
Sembcorp Gayatri Power Limited, India	Entity under common control
Sembcorp Green Infra Limited,India	Entity under common control
Gayatri Projects Limited, India	Significant influence
Gayatri Energy Ventures Private Limited	Significant influence
Deep Corporation Private Limited, India	Key management personnel having significant influence
Gayatri Hi-Tech Hotels Limited, India	Key management personnel having significant influence
T V Sandeep Kumar Reddy	Key management personnel - Director (Managing Director till 18 May 2016)
Tang Kin Fei	Key management personnel - Chairman (upto 31 March 2017)
Atul Mohan Nargund	Key management personnel - Managing Director (Chief Executive Officer till 18 May 2016) (Managing Director till 16 April 2017)
Neil Garry Mcgregor	Additional Director (from 1 April 2017)
Vipul Tuli	Additional Director (from 17 April 2017)
B N K Reddy	Chief Financial Officer
Nagamani Alluri	Company Secretary

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

b) The following are the transactions with related parties during the year

		For the year ended 31 March 2017	For the year ended 31 March 2016
1.	**Contract work**		
	Gayatri Projects Limited	2,614	4,137
2.	**Rent and utility expense**		
	Deep Corporation Private Limited	53	67
	Gayatri Hi-Tech Hotels Limited	6	7
3.	**Lease rental expenses**		
	Sembcorp Gayatri Power Limited	3	-
4.	**Project development/consultancy expenses**		
	Sembcorp India Private Limited	-	634
	Sembcorp Utilities Pte Ltd	752	787
	Sembcorp Utilities India Private Limited	-	-
	Deep Corporation Private Limited	-	20
	Gayatri Hi-Tech Hotels Limited	-	1
	Gayatri Projects Limited	1,500	-
5.	**Bank guarantee fees/ commission**		
	Gayatri Projects Limited	123	197
	Sembcorp Utilities Pte Ltd	1,592	1,415
6.	**Money received from issue of share capital including share premium**		
	Sembcorp Utilities Pte Ltd	35,808	64,173
	Gayatri Energy Ventures Private Limited	-	2
7.	**Capital advances made**		
	Gayatri Projects Limited	612	1,045
8.	**Reimbursement of expenses**		
	Sembcorp Utilities Pte Ltd	64	99
	Gayatri Energy Ventures Private Limited	-	13
	Sembcorp India Private Limited	55	-
9.	**Township development expenses**		
	Gayatri Projects Limited	-	109
10.	**Investment in subsidiary**		
	TPCIL Singapore Pte Ltd	-	5

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

		For the year ended 31 March 2017	For the year ended 31 March 2016
11.	**Claim received against purchase of raw Materials**		
	Semcorp Gulf O&M company limited	-	582
12.	**Manpower Consultancy charges**		
	Sembcorp India Pvt Ltd	954	1,602
13.	**Sale of electricity**		
	Sembcorp Gayatri Power Limited	5,418	-
14.	**Purchase of inventories**		
	Sembcorp Gayatri Power Limited	2,457	-
15	**Lease rent income**		
	Sembcorp Gayatri Power Limited	4	-
16.	**Salaries to key managerial person ***		
	B N K Reddy	84	80
	Nagamani Alluri	15	13

* The Key management personnel are eligible for retirement benefits viz., gratuity and compensated absences in accordance with the policy of the Company. The proportionate retirement benefit expense pertaining to the managerial personnel has not been included in the aforementioned disclosures as separate amounts are not available for Directors/Key management personnel.

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

c) Details of related party balances is as under:

Particulars	As at 31 March 2017	As at 31 March 2016
Related party receivables		
Gayatri Projects Limited (margin money deposit) - Gross	6,796	6,796
Gayatri Projects Limited (advance against projects)	-	341
Sembcorp Utilities Pte Limited	2	-
Sembcorp Gayatri O & M Company Limited	-	-
Sembcorp Gayatri Power Limited	128	-
	6,926	**7,137**
Related party payables		
Gayatri Projects Limited	**478**	**371**
Sembcorp Utilities Pte Ltd	**987**	**835**
Sembcorp India Private Limited	**255**	**208**
Gayatri Hi-Tech Hotels Limited	**2**	**1**
Deep Corporation Private Limited	**1**	**-**
Gayatri Energy Ventures Private Limited	**-**	**-**
Sembcorp Gulf O & M Company Limited	**-**	**-**
	1,723	**1,415**
Corporate guarantee for term loan		
Gayatri Projects Limited	**-**	**501,132**
(Represents the amount of facility availed outstanding)		
Corporate Guarantee for External Commercial Borrowings/buyers credit facility		
Sembcorp Utilities Pte Ltd	**159,503**	**199,109**
(Represents the amount of facility availed)		

2.40. Standards issued but not effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' . The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the consolidated Ind AS financial statements.

Thermal Powertech Corporation India Limited
2. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

2.41 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary is as under:

Name of Entity	Net Assets		Share in loss		Share in other comprehensive income		Share in Total comprehensive income	
	As % of Consolidated net assets	Amount in Rs	As % of Consolidated profit or loss	Amount in Rs	As % of Consolidated other comprehensive income	Amount in Rs	As % of Consolidated Total comprehensive income	Amount in Rs
As at 31 March 2017								
Thermal Powertech Corporation India Limited	100.00%	248,377	99.96%	(7,807)	100.00%	(3,132)	99.97%	(10,939)
Foreign Subsidiary								
TPCIL Signapore Pte Ltd,Singapore,100% subsidiary	0.00%	(1)	0.04%	(3)	0.00%	-	0.03%	(3)
Total	100.00%	248,376	100.00%	(7,810)	100.00%	(3,132)	100.00%	(10,942)
As at 31 March 2016								
Thermal Powertech Corporation India Limited	100.00%	223,507	99.97%	(9,959)	100.00%	(24)	99.97%	(9,983)
Foreign Subsidiary								
TPCIL Signapore Pte Ltd,Singapore,100% subsidiary	0.00%	2	0.03%	(3)	0.00%	-	0.03%	(3)
Total	**100.00%**	**223,509**	**100.00%**	**(9,962)**	**100.00%**	**(24)**	**100.00%**	**(9,986)**

2.42 The Company did not have any subsidiary as on 1 April 2015. Accordingly, the comparitive numbers as at 1 April 2015 i.e date of transition is not presented.

Thermal Powertech Corporation India Limited
3. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS (Continued)

C. Reconciliation between Indian GAAP and Ind AS (Continued)

Reconciliation of equity for the year ended 31 March 2016

			Foot notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
		ASSETS				
I		**Non-current assets**				
	(a)	Property, plant and equipment		893,317	-	893,317
	(b)	Capital work-in-progress		7,813	-	7,813
	(c)	Other intangible assets		261	-	261
	(d)	Financial assets				-
		(i) Other financial assets		5,035	-	5,035
	(e)	Other tax assets		1,645	-	1,645
	(f)	Other non-current assets	2	12,331	(2,017)	10,314
		Total non- current assets		**920,402**	**(2,017)**	**918,385**
II		**Current assets**				
	(a)	Inventories		30,930	-	30,930
	(b)	Financial assets				
		(i) Trade receivables	5	87,803	(285)	87,518
		(ii) Cash and cash equivalents		19,376	-	19,376
		(iii) Bank balances other than (i) above		4,818	-	4,818
		(iv) Loans		13	-	13
		(v) Other financial assets	1	31,811	(47)	31,764
	(c)	**Other current assets**	2	**5,404**	**(190)**	**5,214**
		Total current assets		**180,155**	**(522)**	**179,633**
		Total assets		**1,100,557**	**(2,539)**	**1,098,018**
		EQUITY AND LIABILITIES				
		EQUITY				
	(a)	Equity share capital		148,183	-	148,183
	(b)	Other equity				
		(i) Securities premium		85,773	-	85,773
		(ii) Retained earnings	A	(8,956)	(1,471)	(10,427)
		(iii) Others (including other comprehensive income)		-	(25)	(25)
		Total Equity		**225,000**	**(1,496)**	**223,504**

Thermal Powertech Corporation India Limited
3. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

			Foot notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
		LIABILITIES				
I		**Non-current liabilities**				
	(a)	Financial liabilities				
		Borrowings	5	458,484	(2,233)	456,251
	(b)	Provisions		306	-	306
		Total non-current liabilities		**458,790**	**(2,233)**	**456,557**
II		**Current liabilities**				
	(a)	Financial liabilities				
		(i) Borrowings		103,936	-	103,936
		(ii) Trade payables		19,063	-	19,063
		(iii) Derivatives	3	395	1,592	1,987
		(iv) Other financial liabilities	7	292,721	(402)	292,319
	(b)	Other current liabilities		637	-	637
	(c)	Provisions		15	-	15
		Total current liabilities		**416,767**	**1,190**	**417,957**
		Total liabilities		**875,557**	**(1,043)**	**874,514**
		Total Equity and liabilities		**1,100,557**	**(2,539)**	**1,098,018**

Thermal Powertech Corporation India Limited
3. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS (Continued)

C. Reconciliation between Indian GAAP and Ind AS (Continued)

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

		Foot notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
I	**Revenue**				
	Revenue from operations	**8**	241,125	(1,247)	239,878
	Other income	9	1,730	81	1,811
	Total Income		**242,855**	**(1,166)**	**241,689**
II	**Expenses**				
	Cost of fuel		120,671	-	120,671
	Transmission charges		6,269	-	6,269
	Employee benefit Expense	10	4,647	(24)	4,623
	Finance costs	**3, 4, 7, 11**	72,359	2,593	74,952
	Depreciation and amortisation expense		28,724	-	28,724
	Other expense	**12**	**17,769**	(1,357)	16,412
	Total Expenses		**250,439**	**1,212**	**251,651**
III	**Loss for the year**		**(7,584)**	**(2,378)**	**(9,962)**
IV	**Tax expense**		**-**	**-**	**-**
V	**Loss after tax**		**(7,584)**	**(2,378)**	**(9,962)**
VI	**Other comprehensive income**				
	Items that will not be reclassified subsequently to profit and loss				
	Remeasurement of defined benefit liability	13	-	(24)	(24)
	Net other comprehensive income not to be reclassified subsequently to profit or loss		-	(24)	(24)
	Total comprehensive income for the year		**(7,584)**	**(2,402)**	**(9,986)**

Thermal Powertech Corporation India Limited
3. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS (continued)

D: **Footnotes to first time adoption**

1. **Other financial asset**
Represents fair valuation of interest free deposits as per Ind As 109.

2. **Other non current and current assets**
Adjustments relating to processing fees of borrowings as per effective rate of interest method.

3. **Derivatives**
Represents fair value (Mark to Market) of derivative instruments as per Ind As 109.

4. **Other current assets**
Represents fair value of derivative instruments as referred in Note no. 3.

5. **Borrowings**
Adjustments relating to processing fees of borrowings as per effective rate of interest method.

6. **Trade receivables**
Adjustments relating to fair value recognition of trade receivables as per Ind AS 109.

7. **Other financial liabilities**
Represents fair value of derivative instruments as per referred in Note no. 3.

8. **Revenue from Operations**
Adjustments made on account of netting of rebates with the revenue and fair value of receivables as referred in Note no.6.

9. **Other income**
Recognition of finance income in unwinding of discount on interest free deposit given as explained in Note no.1.

10. **Employee benefit expense**
Actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period as per Ind AS 19.

11. **Finance cost**
Adjustments relating to processing fess as per effective interest method.

12. **Other expense**
Adjustment as explained in foot Note no. 3 and 8.

13. **Other comprehensive income**
Under Indian GAAP, the Company was not required to present other comprehensive income separately. Represents actuarial gain and income tax effect on the same recognised in other comprehensive income.

Thermal Powertech Corporation India Limited
3. Notes to the Consolidated Ind AS Financial Statements (continued)
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

First time adoption of Ind AS (continued)

Reconciliation of total equity between previous GAAP and Ind AS:

	Foot Notes	31 March 2016
Equity under IGAAP		225,000
Adjustments on account of Ind AS:		
Impact due to fair valuation of deposits	1	(47)
Effect of measurement financial liabilites at amortised cost	2	26
Fair valuation of derivative contracts	3	(1,189)
Impact due to fair valuation of trade receivables	6	(286)
Total adjustments		(1,496)
Total equity as per Ind AS (Paid up equity share capital and other equity)		223,504

Total comprehensive income reconciliation for the year ended 31 March 2016:

	Foot Notes	31 March 2016
Loss for the year after exceptional item under previous GAAP		(7,584)
Impact due to fair valuation of deposits	1	81
Effect of measurement financial liabilities at amortised cost	2	(140)
Fair valuation of derivative contracts	3	(2,057)
Impact due to fair valuation of trade receivables	6	(285)
Employee benefit expenses (actuarial loss)	10	24
Loss for the year after exceptional item under Ind AS		**(9,962)**
Other comprehensive income		**(24)**
Total comprehensive income		**(9,986)**

As per our report on consolidated Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W / W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 31 May 2017

for and on behalf of the Board of Directors of
Thermal Powertech Corporation India Limited
CIN: U40103TG2008PCL057031

Vipul Tuli
Additional Director
DIN: 07350892

T. V. Sandeep Kumar Reddy
Director
DIN: 00005573

B N K Reddy
Chief Financial Officer

Nagamani Alluri
Company Secretary
Membership No: 025304

Place: Hyderabad
Date: 31 May 2017

AGM NOTICE

Shorter notice is hereby given that Ninth Annual General Meeting of the members of Thermal Powertech Corporation India Limited will be held on Thursday, September 28, 2017, at 3.00 PM at 6-3-1090, Block a, level 5, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, for the purpose of transacting the following business;

Ordinary business:

1. To receive, consider and adopt
   a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and the Auditors Report thereon.
   b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and the Auditors Report thereon

2. To re-appoint Mr. T.V.Sandeep Kumar Reddy (DIN: 00005573) a director who retires by rotation and being eligible offers himself for reappointment.

3. To re-appoint Mr. Tan Cheng Guan (DIN: 03472688), a director who retires by rotation and being eligible offers himself for reappointment.

4. **Ratification of appointment of Auditors**
   To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:-**

   RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of M/s. B S R & Associates LLP, Chartered Accountants, (LLP registration No. 116231W/ W-100024) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of thirteenth Annual General Meeting of the Company to be held in the year 2021 to examine and audit the accounts of the Company, on such remuneration as may be fixed by Audit & Risk Committee and approved by the Board, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for each financial year."

Special business

5. **APPOINTMENT OF MS. C.R. GAYATHRI (DIN 02872723) AS DIRECTOR OF THE COMPANY.**

   To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:-

   "RESOLVED THAT pursuant to the provisions of section 160 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, Ms. C.R. Gayathri (DIN 02872723), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 17, 2017, in terms of Section 152, 161(1) of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall not be liable to be determination by retirement of directors by rotation.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds or things as may be necessary to give effect to the above resolution."

6. **APPOINTMENT OF MR. NEIL GARRY MCGREGOR (DIN 07754310) AS DIRECTOR OF THE COMPANY.**

   To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:-

   "RESOLVED THAT pursuant to the provisions of section 160 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, Mr. Neil Garry McGregor (DIN 07754310), who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 01, 2017, in terms of Section 152, 161(1) of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to be determination by retirement of directors by rotation as long as he holds the position of Managing Director.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds or things as may be necessary to give effect to the above resolution."

7. **APPOINTMENT OF MR. VIPUL TULI (DIN 07350892) AS DIRECTOR OF THE COMPANY.**

   To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:-**

   "RESOLVED THAT pursuant to the provisions of section 160 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, Mr. Vipul Tuli (DIN 07350892), who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 17, 2017, in terms of Section 152, 161(1) of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall not be liable to be determination by retirement of directors by rotation as long as he holds the position of Managing Director.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds or things as may be necessary to give effect to the above resolution."

8. **RATIFICATION OF COST AUDITOR'S REMUNERATION**

   To consider and if thought fit, to pass, with or without modifications the following resolution as an **Ordinary Resolution;**

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the members of the Company hereby consider, approve and ratify the remuneration of Rs.2,25,000/- (Rupees two lakh twenty five thousand only) excluding out of pocket expenses and service tax payable to M/s. Narasimha Murthy & Co., Cost Accountants, who are appointed as Cost auditors to conduct the audit of cost records maintained by the Company for the financial year from 2017-18."

   FURTHER RESOLVED THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such things and deeds as may be required in this regard.

By order of the Board of Directors

A. NAGAMANI
COMPANY SECRETARY
M. No. A 23504

Place: Hyderabad
Date: September 13, 2017

Registered Office:
A Block, 5th Floor, TSR Towers, Rajbhavan Road,
Somajiguda, Hyderabad 500 082
CIN: U40103TG2008PLC057031
Phone: 040-49048300,
Fax: 040-23370360
Email: cs.india@sembcorp.com

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself. Such a proxy need not be a member of the Company. Proxies, in order to be valid and effective, must be received at the Company's Registered Office on or before the commencement of the meeting. A proxy form is enclosed.
2. The relative explanatory statement pursuant to section 102 of the Companies Act, 2013, relating to special business to be transacted at the meeting is annexed.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of board resolution on the letterhead of the company, signed by one of the directors or company secretary or any other authorized signatory named in the resolution, authorizing their representatives to attend and vote their behalf at the meeting.
4. Members/Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting.
5. Documents referred to in the Notice and Explanatory Statement are available for inspection at the Registered Office of the Company during Office hours between 11.00 A.M. and 1.00 A.M on all working days prior to the Annual General Meeting.

ANNEXURE TO NOTICE

Explanatory Statement Under Section 102 Of The Companies Act, 2013

ITEM NO. 5 TO 7

The Members are informed that Ms. C.R. Gayathri, Mr. Neil Garry McGregor and Mr. Vipul Tuli were appointed as Additional Directors of the Company on February 17, 2017, April 01, 2017 and April 17, 2017 respectively, by the Board of Directors of the Company and in accordance with the provisions of Section 161 (1) of the Companies Act, 2013.

Above mentioned directors holds office as an Additional Director upto the date of ensuing Annual General meeting. The Company has received a notices from members with requisite deposit proposing the above directors to be appointed as Directors of the Company in terms of Section 160 of the Companies Ac, 2013.

The Members are further informed that Ms. C.R. Gayathri has given a certificate that she fulfill the criteria of independence and qualifications in terms of Section 149(6) read with Schedule IV and other applicable conditions under the Companies Act 2013. In opinion of the Board, Ms. C.R. Gayathri fulfill the conditions specified in the in the Companies Act, 2013 for appointment as independent director of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

Memorandum of interest

None of the Directors or Key Managerial Personnel and their relatives, except Ms. C.R. Gayathri, Mr. Neil Garry McGregor and Mr. Vipul Tuli, are concerned or interested (financially or otherwise) in the resolution Nos. 5 to 7.

S. No.	Name of the Director	Date of Appointment by the Board of Directors	Educational Qualifications
1	Ms. C.R. Gayathri	17.02.2017	· Master's degree in Economics from Delhi University. · Master's Degree in Development Economics from Williams College, Massachusetts, USA · Former member of prestigious Civil Service in India
2	Mr. Neil Garry McGregor	01.04.2017	· BEng (Honours) from the University of Auckland, New Zealand · MBA in International Finance from the University of Otago in New Zealand · The Advanced Management Programme at INSEAD, France
3	Mr. Vipul Tuli	17.04.2017	· B. Tech degree in Chemical Engineering from the Indian Institute of Technology in New Delhi · MBA from the Indian Institute of Management, Calcutta

The Board commends the Ordinary Resolution set out at Item nos. 5 to 7 for approval of the Members.

ITEM NO. 8

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

On the recommendation of the Audit Committee of Directors, the Board of Directors have approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2017-18, at a remuneration of Rs. 2,25,000 (Two lakhs twenty five thousand only) plus Service tax and actual out-of-pocket expenses.

M/s. Narasimha Murthy & Co., Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company having vast experience in the field of cost audit.

The Board commends the Resolution at Item No.8 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

Memorandum of concern or interest:

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.8 of the accompanying Notice.

By order of the Board of Directors

A. NAGAMANI
COMPANY SECRETARY
M. No. A 23504

Place: Hyderabad
Date: September 13, 2017

Registered Office:
A Block, 5th Floor, TSR Towers, Rajbhavan Road,
Somajiguda, Hyderabad 500 082
CIN: U40103TG2008PLC057031
Phone: 040-49048300,
Fax: 040-23370360
Email: cs.india@sembcorp.com

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	U40103TG2008PLC057031
Name of the Company	Thermal Powertech Corporation India Limited
Registered Office	6-3-1090, A-5, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082

Name of the Member(s)	
Registered Address	
E-mail id	
Folio No/ Client Id	
DP Id	

I/We, being the member (s) of .... shares of the above named company, hereby appoint:

Name	
Address	
E-mail ID	
Signature	

Or failing him;

Name	
Address	
E-mail ID	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, September, 2017 at 3.00 PM at 6-3-1090, A-5, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1 ____________

2 ____________

3 ____________

Signed this ________ day of ________ 2017 ________

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, on or before the commencement of the Meeting.

sembcorp

Thermal Powertech Corporation India Limited
(A Sembcorp Gayatri Company)
CIN: U40103TG2008PLC057031
6-3-1090, A - 5, TSR Towers, Rajbhavan Road,
Somajiguda, Hyderabad 500082, India
Tel (91) 040 4904 8300. Fax (91) 040 2337 0360
www.sembcorp.com
Email: cs.india@sembcorp.com