Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

NTPC Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: L40101DL1975GOI007966). The shares of the Company are listed and traded on the National Stock Exchange of India Limited (NSE) and BSE Limited in India. The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodhi Road, New Delhi - 110003. The Company is primarily involved in the generation and sale of bulk power to State Power Utilities. Other business of the Company includes providing consultancy, project management & supervision, energy trading, oil & gas exploration and coal mining.

B. Basis of preparation

1. Statement of Compliance

These standalone financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other provisions of the Companies Act, 2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were approved for issue by the Board of Directors on 27 June 2020.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer serial no. 27 of accounting policy regarding financial instruments); and
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest crore (up to two decimals), except when indicated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

Assets and liabilities are classified between current and non-current considering 12 months period as normal operating cycle.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101-'First time adoption of Indian Accounting Standards' by not applying the provisions of Ind AS 16-'Property, plant and equipment' & Ind AS 38-'Intangible assets' retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS i.e. 1 April 2015. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Cost includes purchase price including import duties and non-refundable taxes after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the present value of initial estimate of cost of dismantling, removal and restoration.

Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives as compared to the main asset, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

1.2. Subsequent costs

Subsequent expenditure is recognized in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized regardless of whether the replaced part has been depreciated separately. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss.

In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.

1.5. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment.

Depreciation on the assets of the generation of electricity business and on the assets of Corporate & other offices of the Company, covered under Part B of Schedule II of the Companies Act, 2013, is charged on straight-line method following the rates and methodology notified by the Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Depreciation on the assets of the coal mining, oil & gas exploration and consultancy business is charged on straight-line method following the useful life specified in Schedule II of the Companies Act, 2013 except for the assets referred below.

Depreciation on the following assets is provided on their estimated useful lives, which are different from the useful lives as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of technical evaluation/ assessment:

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	6 years
h) Energy saving electrical appliances and fittings	2-7 years
i) Solar/wind power plants which are not governed by CERC Tariff Regulations.	25 years

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Capital spares are depreciated considering the useful life ranging between 2 to 25 years based on technical assessment.

Right-of-use land and buildings relating to generation of electricity business governed by CERC Tariff Regulations are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Right-of-use land and buildings relating to generation of electricity business which are not governed by CERC tariff Regulations are fully amortized over lease period or life of the related plant whichever is lower.

Right-of-use land and buildings relating to corporate, and other offices are fully amortized over lease period or twenty-five years whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Land acquired for mining business under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortized on the basis of balance useful life of the project. Other right-of-use land acquired for mining business is amortized over the lease period or balance life of the project whichever is less.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/sale, disposal or earmarked for disposal.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long-term liabilities (recognized up to 31 March 2016) on account of exchange fluctuation and price adjustment change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

Where it is probable that future economic benefits deriving from the expenditure incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a property, plant and equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

The residual values, useful lives and method of depreciation of assets other than the assets of generation of electricity business governed by CERC Tariff Regulations, are reviewed at each financial year end and adjusted prospectively, wherever required.

Refer policy nos.C.6.3 and C.19 in respect of depreciation/amortization of coal mining assets and right-of-use assets respectively.

2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work-in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable expenses of preparing the asset for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.3. De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gain or loss on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.4. Amortization

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

The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end and adjusted prospectively, wherever required.

4. Regulatory deferral account balances

Expense/income recognized in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'.

Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

5. Exploration for and evaluation of mineral resources

5.1. Oil and gas exploration activities

All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as 'Exploratory wells-in-progress' under 'Intangible assets under development' till the time these are either transferred to oil and gas assets when a well is ready for commercial production or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress is being made in assessing the reserves and the economic & operating viability of the project. All such carried over costs are subject to review for impairment as per the policy of the Company.

Cost of surveys and prospecting activities conducted in the search of oil and gas are expensed in the year in which these are incurred.

5.2. Coal mining exploration activities

Exploration and evaluation assets comprise capitalized costs which are attributable to the search for coal, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter-alia the following:

- researching and analyzing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining & examining the volume and grade of the resource; and
- surveying transportation and infrastructure requirements.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalized as exploration and evaluation assets under 'Intangible assets under development' and stated at cost less impairment if any. Exploration and evaluation assets are assessed for impairment indicators at least annually.

Once the proved reserves are determined and development of mine/project is sanctioned.

Exploration and evaluation assets are transferred to 'Development of Coal Mines' under 'Capital Work in Progress'. However, if proved reserves are not determined, exploration and evaluation asset is derecognized.

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

6. Development expenditure on coal mines

When proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to 'Development of coal mines' under 'Capital work-in-progress'.

Subsequent expenditure is capitalized only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

The development expenditure capitalized is net of value of coal extracted during development phase.

Mines under development are brought to revenue on occurrence of earliest of the following milestones except otherwise when commercial readiness is specifically stated in the project report:

a) From the beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report; or
b) From the beginning of the financial year in which the value of production is more than total expenses; or
c) 2 years of touching of coal.

The above is subject to commercial readiness to yield production on a sustainable basis (i.e. when the Company determines that the mining property will provide sufficient and sustainable return relative to its perceived risks and therefore it is considered probable that future economic benefits will flow to the Company).

On being brought to revenue, the assets under capital work-in-progress are classified as a component of property, plant and equipment under 'Mining property'.

Gains and losses on de-recognition of assets referred above, are determined as the difference between the net disposal proceeds, if any, and the carrying amount of respective assets and are recognized in the statement of profit and loss.

6.1. Stripping activity expense/adjustment

Expenditure incurred on removal of mine waste materials (overburden) necessary to extract the coal reserves is referred to as stripping cost. The Company has to incur such expenses over the life of the mine as technically estimated.

Cost of stripping is charged on technically evaluated average stripping ratio at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue.

Net of the balances of stripping activity asset and ratio variance at the Balance Sheet date is shown as 'Stripping activity adjustment' under the head 'Non-current assets/Non-current provisions' as the case may be.

6.2. Mines closure, site restoration and decommissioning obligations

The Company's obligations for land reclamation and decommissioning of structure consist of spending at mines in accordance with the guidelines from Ministry of Coal, Government of India. The Company estimates its obligations for mine closure, site restoration and decommissioning based on the detailed calculation and technical assessment of the amount and timing of future cash spending for the required work and provided for as per approved mine closure plan. The estimate of expenses is escalated for inflation and then discounted at a pre-tax discount rate that reflects current market assessment of the time value of money and risk, such that the amount of provision reflects the present value of expenditure required to settle the obligation. The Company recognizes a corresponding asset under property, plant and equipment as a separate item for the cost associated with such obligation.

The value of the obligation is progressively increased over time as the effect of discounting unwinds and the same is recognized as finance costs.

Further, a specific escrow account is maintained for this purpose as per approved mine closure plan. The progressive mine closure expenses incurred on year to year basis, forming part of the total mine closure obligation, are initially recognized as receivable from escrow account and thereafter adjusted with the obligation in the year in which the amount is withdrawn from escrow account after concurrence of the certifying agency.

6.3. Amortization

On being brought to revenue, the mines closure, site restoration and decommissioning obligations are amortized on straight line method over the balance life of the mine. Mining property is amortized on Straight Line Method from the year in which the mine is brought under revenue, in 20 years or life of mine whichever is less.

7. Joint operations

The Company has entered into joint arrangements with others for operations in the nature of joint operations. The Company recognizes, on a line-by-line basis its share of the assets, liabilities and expenses of these joint operations as per the arrangement which are accounted based on the respective accounting policies of the Company.

8. **Borrowing costs**

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) interest expense on lease liabilities recognized in accordance with Ind AS 116– 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

9. **Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

Steel scrap is valued at estimated realizable value.

10. **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

11. **Government grants**

Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the cost of depreciable asset are recognized as income in statement of profit and loss on a systematic basis over the period and in the proportion in which depreciation is charged. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and the same is deducted from the related expenses.

12. **Fly ash utilization reserve fund**

Proceeds from sale of ash/ash products along-with income on investment of surplus fund are transferred to 'Fly ash utilization reserve fund' in terms of provisions of gazette notification dated 3 November 2009 issued by Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure/facilities, promotion & facilitation activities for use of fly ash.

13. **Provisions, contingent liabilities and contingent assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

14. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31 March 2016 are adjusted to the carrying cost of property, plant and equipment.

Non-monetary items denominated in foreign currency which are measured in terms of historical cost are recorded using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

15. Revenue

Company's revenues arise from sale and trading of energy, consultancy, project management & supervision services, income on assets under lease, sale of coal from captive mines to subsidiary companies and other income. Revenue from other income comprises interest from banks, employees, contractors etc., dividend from investments in joint venture & subsidiary companies, dividend from mutual fund investments, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

15.1. Revenue from sale of energy

The majority of the Company's operations in India are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115 – 'Revenue from contracts with customers'. In cases of power stations where the same have not been notified/approved, incentives/disincentives are accounted for on provisional basis.

Part of revenue from energy sale where CERC tariff Regulations are not applicable is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries and trading of power through power exchanges.

Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged. Exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and such balances are adjusted in the year in which the same becomes recoverable/payable to the beneficiaries.

Exchange differences on account of translation of foreign currency borrowings recognized upto 31 March 2016, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset' with corresponding credit to 'Deferred income from foreign currency fluctuation'. Deferred income from foreign currency fluctuation account is amortized in the proportion in which depreciation is charged on such exchange differences and same is adjusted against depreciation expense. Fair value changes in respect of forward exchange contracts for derivatives recoverable from/payable to the beneficiaries as per the CERC Tariff Regulations, are recognized in sales.

Revenue from sale of energy through trading is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries as per the guidelines issued by Ministry of New and Renewable Energy, Government of India.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

15.2. Revenue from services

Revenue from consultancy, project management and supervision services rendered is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services, which is determined on output method and excludes amounts collected on behalf of third parties. The Company recognizes revenue when the performance obligation is satisfied, which typically occurs when control over the services is transferred to a customer.

Reimbursement of expenses is recognized as other income, as per the terms of the service contracts.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

15.3. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Scrap other than steel scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

Dividend income is recognized in profit or loss only when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

16. Employee benefits

16.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

The Company has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

16.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, pension scheme at two of the stations in respect of taken over employees from the erstwhile state government power utility, post-retirement medical facility (PRMF), baggage allowance for settlement at home town after retirement, farewell gift on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The Company pays fixed contribution to the provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India.

The gratuity is funded by the Company and is managed by separate trust. Pension scheme at one of the taken over projects is also funded by the Company and is managed by separate trust. The Company has PRMF, under which retired employee and the spouse are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The actuarial calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in the Other Comprehensive Income (OCI) in the period in which they arise.

Past service costs are recognized in statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes related restructuring costs. If a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

16.3. Other long-term employee benefits

Benefits under the Company's leave encashment, long-service award and economic rehabilitation scheme constitute other long term employee benefits.

The Company's net obligation in respect of these long-term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The actuarial calculation is performed annually by a qualified actuary using the projected unit credit method. Any actuarial gains or losses are recognized in statement of profit and loss account in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

16.4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

17. Other expenses

Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

Expenditure on research is charged to revenue as and when incurred. Expenditure on development is charged to revenue as and when incurred unless it meets the recognition criteria for intangible asset as per Ind AS 38- 'Intangible assets'.

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to statement of profit and loss.

Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

Transit and handling losses of coal as per Company's norms are included in cost of coal.

18. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they materialize, based on the laws that have been enacted or substantively enacted by the reporting date. 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.

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. 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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized. The income tax consequences of dividends is recognized in profit or loss, other comprehensive income or equity according to where the Company originally recognized those past transactions or events.

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

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

19. Leases

Effective 1 April 2019, the Company adopted Ind AS 116-'Leases' and applied to all lease contracts existing on 1 April 2019 using the modified retrospective transition method. Consequently, the lease liability is measured at the present value of remaining lease payments discounted at incremental borrowing rate applicable at the date of initial application and the right-of-use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31 March 2019 have not been adjusted and therefore will continue to be reported as per Ind AS 17-'Leases'. The details of accounting policies as per Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

19.1. As lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/ amortization and impairment losses.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated/amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

In the comparative period, as lessee the leases were accounted as per Ind AS 17 and classified as finance lease and operating lease, and accounted as follows:

Accounting for finance leases

In the comparative period, leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership were classified as finance lease. On initial recognition, assets held under finance leases were recorded as property, plant and equipment and the related liability was recognized under borrowings. At inception of the lease, finance leases were recorded at amounts equal to the fair value of the leased asset or if lower the present value of the minimum lease payments. Minimum lease payments amounts under finance leases were apportioned between the finance cost and the reduction of the outstanding liability.

The finance cost was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Accounting for operating leases

In the comparative period, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases were recognized as an expense on a straight-line basis over the lease term unless the payments were structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

19.2 As lessor

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

Accounting for finance leases

Where the Company determines a long term Power Purchase Agreement (PPA) to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the power plant through its contractual arrangements with the Company, the arrangement is considered a finance lease. Capacity payments are apportioned between capital repayments relating to the provision of the plant, finance income and service income. The finance income element of the capacity payment is recognized as revenue, using a rate of return specific to the plant to give a constant periodic rate of return on the net investment in each period. The service income element of the capacity payment is the difference between the total capacity payment and the amount recognized as finance income and capital repayments and recognized as revenue as it is earned.

The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as 'Finance lease receivables', at the amount of the net investment in the lease.

Accounting for operating leases

Where the Company determines a long term PPA to be or to contain a lease and where the Company retains the principal risks and rewards of ownership of the power plant, the arrangement is considered an operating lease.

For operating leases, the power plant is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight line basis over the term of the arrangement.

20. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 - 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit', or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortization, if no impairment loss had been recognized.

21. Operating segments

In accordance with Ind AS 108-'Operating segments', the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance costs, income tax expenses and corporate income.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

22. Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Where the fair value of net identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve. Acquisition related costs are expensed as incurred.

23. Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

24. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

25. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issued during the financial year.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

26. Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7-'Statement of cash flows'.

27. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument

27.1 Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not valued at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Interest income on such investments is presented under 'Other income'.

Investment in Equity instruments

All equity investments in entities other than subsidiaries and joint venture companies are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investments. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Dividend on such investments is presented under 'Other income'.

Equity investments in subsidiaries and joint ventures companies are accounted at cost less impairment, if any.

The Company reviews the carrying value of investments at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated. If the recoverable amount is less than the carrying amount, the impairment loss is recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognized in the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109-'Financial instruments', the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under Ind AS 116.

(d) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

(e) Loan commitments which are not measured as at FVTPL.

(f) Financial guarantee contracts which are not measured as at FVTPL.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

27.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of liabilities measured at amortized cost net of directly attributable transaction cost. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

27.3 Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

27.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. **Formulation of accounting policies**

   The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. **Useful life of property, plant and equipment and intangible assets**

   The estimated useful life of property, plant and equipment and intangible assets 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.

   Useful life of the assets of the generation of electricity business (where tariff is regulated) is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

3. **Recoverable amount of property, plant and equipment and intangible assets**

   The recoverable amount of property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. **Post-employment benefit plans**

   Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. **Revenues**

   The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. **Leases not in legal form of lease**

   Significant judgment is required to apply lease accounting rules as per Ind AS 116 in determining whether an arrangement contains a lease. In assessing arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement meets the criteria as per Ind AS 116.

7. **Assets held for sale**

   Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 - 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

8. **Regulatory deferral account balances**

   Recognition of regulatory deferral account balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

9. **Provisions and contingencies**

   The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37-'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events require best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

10. **Impairment test of investments in Subsidiaries and Joint Venture Companies**

    The recoverable amount of investment in subsidiaries and joint venture companies is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee Company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

11. **Income taxes**

    Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

2. Non-current assets - Property, plant and equipment

As at 31 March 2020 ₹ Crore

Particulars	Gross block				Depreciation and amortization				Net block
	As at 1 April 2019	Additions	Deductions/ adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ adjustments	Upto 31 March 2020	As at 31 March 2020
Land									
(including development expenses)									
Freehold	6,160.24	9.45	31.40	**6,201.09**	-	-	-	**-**	**6,201.09**
Right of use	5,277.30	588.35	(3,076.91)	**2,788.74**	410.69	198.30	(205.05)	**403.94**	**2,384.80**
Under submergence (refer footnote (f) below)	776.77	0.29	(39.61)	**737.45**	110.89	26.74	(3.59)	**134.04**	**603.41**
Right of use - Coal Bearing Area Land	-	50.24	3,164.09	**3,214.33**	-	57.42	94.06	**151.48**	**3,062.85**
Roads, bridges, culverts and helipads	1,088.91	239.52	195.90	**1,524.33**	153.78	54.24	(5.32)	**202.70**	**1,321.63**
Building									
Freehold									
Main plant	5,793.45	1,490.67	50.25	**7,334.37**	721.09	247.45	(0.01)	**968.53**	**6,365.84**
Others	3,982.16	978.09	1.18	**4,961.43**	586.72	198.94	(86.55)	**699.11**	**4,262.32**
Right of use	18.91	10.76	(0.05)	**29.62**	7.42	4.57	(0.04)	**11.95**	**17.67**
Temporary erections	21.49	3.14	0.29	**24.92**	19.49	4.37	(1.04)	**22.82**	**2.10**
Water supply, drainage and sewerage system	665.19	89.33	18.29	**772.81**	112.37	35.44	(0.01)	**147.80**	**625.01**
Hydraulic works, barrages, dams, tunnels and power channel	4,259.88	-	97.26	**4,357.14**	830.84	231.13	3.59	**1,065.56**	**3,291.58**
MGR track and signalling system	1,082.50	1,078.32	(2.66)	**2,158.16**	263.38	85.92	-	**349.30**	**1,808.86**
Railway siding	1,651.55	1,413.72	125.65	**3,190.92**	237.02	107.96	-	**344.98**	**2,845.94**
Earth dam reservoir	318.89	141.85	(0.72)	**460.02**	58.19	23.99	-	**82.18**	**377.84**
Plant and equipment									
Owned	1,19,455.70	29,228.82	1,860.03	**1,50,544.55**	23,489.60	7,971.58	(387.82)	**31,073.36**	**1,19,471.19**
Right of use	85.77	-	-	**85.77**	18.87	4.75	-	**23.62**	**62.15**
Mining Properties	-	707.03	-	**707.03**	-	35.35	-	**35.35**	**671.68**
Site restoration cost	-	182.43	-	**182.43**	-	3.72	-	**3.72**	**178.71**
Furniture and fixtures	521.96	160.61	7.97	**690.54**	113.05	53.08	(4.06)	**162.07**	**528.47**
Vehicles including speedboats / helicopter									
Owned	12.64	1.00	(0.80)	**12.84**	4.04	1.20	(0.18)	**5.06**	**7.78**
Right of use	3.25	24.51	(2.03)	**25.73**	1.98	4.26	(1.86)	**4.38**	**21.35**
Office equipment	247.24	71.74	(0.77)	**318.21**	87.92	35.38	0.18	**123.48**	**194.73**
EDP, WP machines and satcom equipment	396.62	48.26	(47.09)	**397.79**	216.37	92.44	(43.47)	**265.34**	**132.45**
Construction equipment	201.10	28.25	(9.02)	**220.33**	51.22	18.62	(7.77)	**62.07**	**158.26**
Electrical installations	695.86	915.25	13.65	**1,624.76**	122.03	71.20	(1.09)	**192.14**	**1,432.62**
Communication equipment	88.47	12.89	0.35	**101.71**	39.25	9.00	(0.23)	**48.02**	**53.69**
Hospital equipment	31.96	3.03	(0.11)	**34.88**	6.43	1.94	(0.02)	**8.35**	**26.53**
Laboratory and workshop equipment	138.24	57.78	0.10	**196.12**	22.73	10.89	0.03	**33.65**	**162.47**
Assets for ash utilisation	40.71	4.81	-	**45.52**	-	-	-	**-**	**45.52**
Less: Adjusted from fly ash utilisation reserve fund	40.71	4.81	-	**45.52**	-	-	-	**-**	**45.52**
Total	**1,52,976.05**	**37,535.33**	**2,386.64**	**1,92,898.02**	**27,685.37**	**9,589.88**	**(650.25)**	**36,625.00**	**1,56,273.02**

As at 31 March 2019 ₹ Crore

Particulars	Gross block				Depreciation and amortization				Net block
	As at 1 April 2018	Additions	Deductions/ adjustments	As at 31 March 2019	As at 1 April 2018	For the year	Deductions/ adjustments	Upto 31 March 2019	As at 31 March 2019
Land									
(including development expenses)									
Freehold	5,937.23	178.90	44.11	6,160.24	-	-	-	-	6,160.24
Leasehold	4,824.35	304.89	148.06	5,277.30	274.56	111.75	24.38	410.69	4,866.61
Under submergence (refer footnote (f) below)	755.47	0.04	21.26	776.77	79.66	31.23	-	110.89	665.88
Roads, bridges, culverts and helipads	1,032.43	25.34	31.14	1,088.91	109.95	43.86	(0.03)	153.78	935.13
Building									
Freehold									
Main plant	5,178.69	531.05	83.71	5,793.45	509.52	212.43	(0.86)	721.09	5,072.36
Others	3,557.04	441.48	(16.36)	3,982.16	411.90	185.61	(10.79)	586.72	3,395.44
Leasehold	18.91	-	-	18.91	5.56	1.86	-	7.42	11.49
Temporary erection	17.22	4.14	0.13	21.49	14.04	5.45	-	19.49	2.00
Water supply, drainage and sewerage system	601.10	52.42	11.67	665.19	80.67	32.20	(0.50)	112.37	552.82
Hydraulic works, barrages, dams, tunnels and power channel	4,236.12	-	23.76	4,259.88	604.74	226.10	-	830.84	3,429.04
MGR track and signalling system	1,065.29	-	17.21	1,082.50	192.83	70.55	-	263.38	819.12
Railway siding	1,460.83	174.83	15.89	1,651.55	150.82	86.28	(0.08)	237.02	1,414.53
Earth dam reservoir	318.54	-	0.35	318.89	39.54	18.65	-	58.19	260.70
Plant and equipment									
Owned	1,08,359.00	10,619.52	477.18	1,19,455.70	17,010.31	6,809.78	(330.49)	23,489.60	95,966.10
Leased	85.77	-	-	85.77	14.12	4.75	-	18.87	66.90
Furniture and fixtures	407.86	111.48	2.62	521.96	75.60	37.96	(0.51)	113.05	408.91
Vehicles including speedboats									
Owned	12.48	0.44	(0.28)	12.64	2.93	1.24	(0.13)	4.04	8.60
Leased	2.67	0.94	(0.36)	3.25	1.40	0.81	(0.23)	1.98	1.27
Office equipment	199.42	51.45	(3.63)	247.24	65.28	23.80	(1.16)	87.92	159.32
EDP, WP machines and satcom equipment	318.88	103.76	(26.02)	396.62	168.74	71.93	(24.30)	216.37	180.25
Construction equipment	180.74	27.24	(6.88)	201.10	36.47	17.28	(2.53)	51.22	149.88
Electrical installations	606.99	81.17	7.70	695.86	78.45	44.60	(1.02)	122.03	573.83
Communication equipment	79.62	9.83	(0.98)	88.47	31.96	8.02	(0.73)	39.25	49.22
Hospital Equipment	29.79	3.06	(0.89)	31.96	4.80	1.83	(0.20)	6.43	25.53
Laboratory and workshop equipment	120.28	18.75	(0.79)	138.24	15.30	7.61	(0.18)	22.73	115.51
Assets for ash utilisation	39.29	1.42	-	40.71	-	-	-	-	40.71
Less: Adjusted from fly ash utilisation reserve fund	39.29	1.42	-	40.71	-	-	-	-	40.71
Total	1,39,406.72	12,740.73	828.60	1,52,976.05	19,979.15	8,055.58	(349.36)	27,685.37	1,25,290.68

a) The conveyancing of the title to **10,142.09** acres of freehold land of value ₹**1,508.27 crore** (31 March 2019: 10,124 acres of value ₹ 1,478.01 crore), buildings and structures of value ₹ **4.97 crore** (31 March 2019: ₹ 4.55 crore) and also execution of lease agreements for **10,011 acres** of right of use land of value ₹ **1,392.74 crore** (31 March 2019: 10,592 acres of value ₹ 1,543.62 crore) in favour of the Company are awaiting completion of legal formalities.

b) Land includes **284.35 acres** of freehold land of value ₹ **0.52 crore** (31 March 2019: 284.35 acres of value ₹ 0.52 crore), and **1939.55 acres** of right of use land of value ₹ **3.81 crore** (31 March 2019: 1939.55 acres of value ₹ 3.81 crore), the value thereof including periodical lease rent accruing thereon is subject to revision on final settlement with the State Government Authorities with demand of late payment charges, if any.

c) Land right of use does not include value of **33 acre** (31 March 2019: 33 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.

d) Land includes **1,284 acres** of freehold land of value ₹ **128.15 crore** (31 March 2019: 1,236 acres of value ₹ 130.67 crore) and **395 acres** of right of use land of value ₹ **3.10 crore** (31 March 2019: 101 acres of value ₹ 3.10 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land-freehold includes an amount of ₹ **282.92 crore** (31 March 2019: ₹ 282.92 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

f) Gross block of land under submergence represents ₹ **558.62 crore** (31 March 2019: ₹ 597.94 crore) of freehold land and ₹ **178.83 crore** (31 March 2019: ₹ 178.83 crore) of right of use land. The land has been amortized considering the rate of depreciation provided by the CERC in the tariff regulations and the fact that it will not have any economic value due to deposit of silt and other foreign materials.

g) Possession of land measuring **98 acres** (31 March 2019: 98 acres) consisting of **79 acres** of freehold land (31 March 2019: 79 acres) and **19 acres** of right of use land (31 March 2019: 19 acres) of value ₹ **0.21 crore** (31 March 2019: ₹ 0.21 crore) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of ₹ 0.21 crore. Pending approval for transfer of the said land, the area and value of this land has been included in the total land of the Company. The consideration received from erstwhile UPSEB is disclosed under Note 28 - Current liabilities - Other financial liabilities.

h) Refer Note 66 regarding property, plant and equipment under finance lease.

i) Spare parts of ₹ 5 lakh and above, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized.

j) Property, plant and equipment costing ₹ 5,000/- or less , are depreciated fully in the year of acquisition.

k) Refer Note 21 for information on property, plant and equipment pledged as security by the Company.

l) Refer Note 69 (C) (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

m) Deduction/adjustments from gross block and depreciation and amortization for the year includes:

₹ Crore

	Gross block For the year ended		Depreciation and amortization For the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
Disposal of assets	**(58.40)**	(50.29)	**(45.01)**	(25.37)
Retirement of assets	**(449.02)**	(543.70)	**(351.08)**	(326.44)
Cost adjustments including exchange differences	**3,262.41**	1,494.87	**-**	-
Assets capitalised with retrospective effect/Write back of excess capitalisation	**(124.71)**	-	**-**	-
Others	**(243.64)**	(72.28)	**(254.16)**	2.45
	2,386.64	828.60	**(650.25)**	(349.36)

n) Exchange differences capitalized are disclosed in the 'Addition' column of Capital work-in-progress (CWIP) and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustments' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of Property, plant and equipment. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of CWIP and property, plant and equipment through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ Crore

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Exchange differences included in PPE/CWIP	Borrowing costs included in PPE/CWIP	Exchange differences included in PPE/CWIP	Borrowing costs included in PPE/CWIP
Building - Freehold				
Main plant	**51.75**	**89.34**	5.72	111.38
Others	**6.54**	**104.36**	0.35	107.16
Hydraulic works, barrages, dams, tunnels and power channel	**27.91**	**200.56**	18.52	96.67
MGR track and signalling system	**31.82**	**52.64**	-	12.24
Railway siding	**0.60**	**124.08**	-	95.59
Plant and equipment	**1,904.68**	**3,271.83**	760.60	3,648.61
Others including pending allocation	**49.06**	**567.47**	545.99	628.37
Total	**2,072.36**	**4,410.28**	1,331.18	4,700.02

o) Gross carrying amount of the fully depreciated/amortised property, plant and equipment that are still in use:

₹ Crore

	As at 31 March 2020	As at 31 March 2019
Land-Right of use	12.66	11.93
Roads, bridges ,culverts and helipads	30.68	18.28
Main plant building	98.83	68.08
Other building	141.55	88.28
Water supply, drainage and sewerage system	26.84	15.14
MGR track and signalling system	45.85	34.11
Plant and equipment - Owned	2,467.58	2,464.17
Furniture and fixtures	27.82	23.00
Other office equipment	48.46	48.88
EDP, WP machines and satcom equipment	143.16	113.76
Communication equipment	24.24	23.24
Others	98.07	51.11
	3,165.74	2,959.98

Others include temporary erections, railway sidings, earth dam reserviors, construction equipment and electrical installations etc.

p) **Property, plant and equipment subject to operating lease**

The Power Purchase Agreements (PPA) signed in respect of two power stations (one thermal and one gas) were operative initially for a period of five years with the respective beneficiaries which are extended, renewed or replaced as the parties mutually agree. The Company has continued to classify these arrangement with its customers as lease based on the practical expedient provided in Ind AS 116. The net carrying value of such leased assets included above are as under:

₹ Crore

	As at 31 March 2020	As at 31 March 2019
Land- Free hold	74.85	74.83
Land- Right of use	0.61	0.74
Roads, bridges, culverts and helipads	13.99	15.98
Main plant building-Freehold	16.38	18.83
Other building-Freehold	42.01	46.68
Water supply, drainage and sewerage system	11.41	11.93
Plant and equipment - Owned	475.40	535.29
Railway siding	2.65	2.90
Electrical installation	6.05	7.20
Others	14.75	15.90
	658.10	730.28

3. Non-current assets - Capital work-in-progress

As at 31 March 2020 ₹ Crore

Particulars	As at 1 April 2019	Additions	Deductions/ adjustments	Capitalized	As at 31 March 2020
Development of land	835.89	80.45	(424.50)	-	**491.84**
Roads, bridges, culverts and helipads	266.99	377.96	72.36	239.52	**477.79**
Piling and foundation	676.81	35.79	-	-	**712.60**
Buildings					
Freehold					
Main plant	2,778.26	445.23	(169.61)	1,490.67	**1,563.21**
Others	2,376.01	850.65	(591.04)	978.09	**1,657.53**
Temporary erections	21.66	9.84	(7.59)	2.83	**21.08**
Water supply, drainage and sewerage system	105.96	48.60	27.14	89.31	**92.39**
Hydraulic works, barrages, dams, tunnels and power channel	3,257.00	643.89	(5.90)	-	**3,894.99**
MGR track and signalling system	891.75	258.19	734.40	1,078.32	**806.02**
Railway siding	2,568.00	871.02	(580.06)	1,413.72	**1,445.24**
Earth dam reservoir	258.58	126.07	66.96	141.85	**309.76**
Plant and equipment - owned	66,367.85	15,054.74	1,146.33	27,619.24	**54,949.68**
Furniture and fixtures	47.82	23.07	40.35	72.21	**39.03**
Office equipment	8.80	2.24	0.62	7.02	**4.64**
EDP/WP machines and satcom equipment	4.19	7.11	(0.40)	4.48	**6.42**
Construction equipment	-	0.97	(0.84)	-	**0.13**
Electrical installations	398.40	272.65	634.16	848.92	**456.29**
Communication equipment	2.35	2.73	(0.13)	2.78	**2.17**
Hospital equipment	0.04	0.11	-	0.04	**0.11**
Laboratory and workshop equipment	0.30	5.18	(0.02)	0.30	**5.16**
Development of coal mines	2,185.52	635.12	(507.91)	871.58	**1,441.15**
	83,052.18	19,751.61	434.32	34,860.88	**68,377.23**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	95.10	0.08	(12.91)	-	**82.27**
Difference in exchange on foreign currency loans	1,569.72	447.21	(615.39)	-	**1,401.54**
Pre-commissioning expenses (net)	464.87	1,097.17	(1,370.93)	-	**191.11**
Expenditure during construction period (net)*	598.20	5,717.05	(18.76)	-	**6,296.49**
Other expenditure directly attributable to project construction	2,085.73	29.67	(1,037.50)	-	**1,077.90**
Less: Allocated to related works	-	5,878.05	-	-	**5,878.05**
	4,813.62	1,413.13	(3,055.49)	-	**3,171.26**
Sub-total	87,865.80	21,164.74	(2,621.17)	34,860.88	**71,548.49**
Less: Provision for unserviceable works	504.94	39.21	(10.39)	-	**533.76**
Construction stores (net of provisions)	3,448.03	1,390.97	(2,786.97)	-	**2,052.03**
Total	**90,808.89**	**22,516.50**	**(5,397.75)**	**34,860.88**	**73,066.76**

As at 31 March 2019

₹ Crore

Particulars	As at 1 April 2018	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2019
Development of land	721.00	222.87	(89.34)	18.64	835.89
Roads, bridges, culverts and helipads	184.31	109.60	(1.58)	25.34	266.99
Piling and foundation	645.05	34.30	(2.54)	-	676.81
Buildings					
Freehold					
Main plant	2,576.64	466.28	266.39	531.05	2,778.26
Others	1,953.67	746.48	117.34	441.48	2,376.01
Temporary erections	21.34	6.21	(1.75)	4.14	21.66
Water supply, drainage and sewerage system	72.85	57.85	27.68	52.42	105.96
Hydraulic works, barrages, dams, tunnels and power channel	2,837.37	420.54	(0.91)	-	3,257.00
MGR track and signalling system	481.31	432.92	(22.48)	-	891.75
Railway siding	1,111.62	1,655.15	(23.94)	174.83	2,568.00
Earth dam reservoir	76.17	161.53	20.88	-	258.58
Plant and equipment - owned	58,720.58	18,952.73	(1,824.57)	9,480.89	66,367.85
Furniture and fixtures	28.44	40.18	9.17	29.97	47.82
Vehicles	0.10	-	-	0.10	-
Office equipment	3.40	6.67	0.01	1.28	8.80
EDP/WP machines and satcom equipment	6.83	5.00	(1.20)	6.44	4.19
Construction equipment	0.22	0.34	(0.14)	0.42	-
Electrical installations	259.61	373.96	(172.72)	62.45	398.40
Communication equipment	0.42	3.18	0.11	1.36	2.35
Hospital equipment	0.01	0.04	-	0.01	0.04
Laboratory and workshop equipment	1.28	0.55	(0.49)	1.04	0.30
Development of coal mines	1,904.70	1,495.81	(1,214.99)	-	2,185.52
	71,606.92	25,192.19	(2,915.07)	10,831.86	83,052.18
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	91.81	3.36	(0.07)	-	95.10
Difference in exchange on foreign currency loans	1,233.35	904.87	(568.50)	-	1,569.72
Pre-commissioning expenses (net)	139.96	550.59	(225.68)	-	464.87
Expenditure during construction period (net)*	534.35	6,524.91	(22.35)	-	7,036.91
Other expenditure directly attributable to project construction	1,884.15	66.09	135.49	-	2,085.73
Less: Allocated to related works	-	6,438.71	-	-	6,438.71
	75,490.54	26,803.30	(3,596.18)	10,831.86	87,865.80
Less: Provision for unserviceable works	451.98	53.60	(0.64)	-	504.94
Construction stores (net of provisions)	3,568.35	(120.32)	-	-	3,448.03
Total	78,606.91	26,629.38	(3,595.54)	10,831.86	90,808.89

* Brought from expenditure during construction period (net) - Note 39

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a) Construction stores includes material lying with contractors for construction works and are net of provision for shortages pending investigation amounting to ₹ **24.94 crore** (31 March 2019: ₹ 25.39 crore).

b) Pre-commissioning expenses for the year amount to ₹ **1,260.02 crore** (31 March 2019: ₹ 622.41 crore) and after adjustment of pre-commissioning sales of ₹ **162.85 crore** (31 March 2019: ₹ 71.82 crore) resulted in net pre-commissioning expenditure of ₹ **1,097.17 crore** (31 March 2019: ₹ 550.59 crore).

c) Additions to the development of coal mines include expenditure during construction period (net) of ₹ **635.12 crore** (31 March 2019: ₹ 1,269.79 crore) - [Ref. Note 40] and are after netting off the receipts from coal extracted during the development phase amounting to ₹ **154.14 crore** (31 March 2019: ₹ 1,214.99 crore).

d) Details of exchange differences and borrowing costs capitalised are disclosed in Note 2 (n).

e) Amount capitalised under development of coal mines is included in assets capitalised under 'Mining properties' and 'Site restoration cost' under Property,plant and equipment.

4. Non-current assets - Intangible assets

As at 31 March 2020

₹ Crore

Particulars	Gross block				Amortisation				Net block
	As at 1 April 2019	Additions	Deductions/ adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ adjustments	Upto 31 March 2020	As at 31 March 2020
Software	53.28	31.14	3.26	**87.68**	31.16	27.75	(0.03)	**58.88**	**28.80**
Right of use - Land	165.90	7.76	31.06	**204.72**	20.77	8.71	(4.96)	**24.52**	**180.20**
- Others	203.97	180.90	-	**384.87**	41.28	14.31	-	**55.59**	**329.28**
Total	**423.15**	**219.80**	**34.32**	**677.27**	**93.21**	**50.77**	**(4.99)**	**138.99**	**538.28**

As at 31 March 2019

₹ Crore

Particulars	Gross block				Amortisation				Net block
	As at 1 April 2018	Additions	Deductions/ adjustments	As at 31 March 2019	As at 1 April 2018	For the year	Deductions/ adjustments	Upto 31 March 2019	As at 31 March 2019
Software	34.29	15.04	3.95	53.28	22.15	9.03	(0.02)	31.16	22.12
Right of use - Land	160.55	4.83	0.52	165.90	13.85	6.92	-	20.77	145.13
- Others	203.71	-	0.26	203.97	30.95	10.33	-	41.28	162.69
Total	398.55	19.87	4.73	423.15	66.95	26.28	(0.02)	93.21	329.94

a) The right to use of land and others are amortized over the period of legal right to use or life of the related plant, whichever is less.

b) Cost of acquisition of the right for drawl of water amounting to ₹ **384.87 crore** (31 March 2019: ₹ 203.97 crore) is included under intangible assets – Right to use - Others.

c) Deductions/adjustments from gross block and amortization for the year includes:

₹ Crore

	Gross block		Amortisation	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
Cost adjustments	**39.30**	4.73	**(4.97)**	-
Others	**(4.98)**	-	**(0.02)**	(0.02)
Total	**34.32**	4.73	**(4.99)**	(0.02)

d) Gross carrying amount of the fully amortised intangible assets that are still in use :

₹ Crore

	As at 31 March 2020	As at 31 March 2019
Software	**26.95**	17.99
Right of use - land	**5.88**	0.14
	32.83	18.13

5. Non-current assets - Intangible assets under development

As at 31 March 2020

₹ Crore

Particulars	As at 1 April 2019	Additions	Deductions/ Adjustments	Capitalised	As at 31 March 2020
Right of use - others	147.52	-	-	147.52	-
Exploration and evaluation assets - coal mines	238.96	20.27	33.23	-	**292.46**
Exploratory wells-in-progress	7.65	-	(0.01)	-	**7.64**
Software	11.31	0.04	-	11.29	**0.06**
	405.44	20.31	33.22	158.81	**300.16**
Less: Provision for unserviceable works	7.64	-	-	-	**7.64**
Total	**397.80**	**20.31**	**33.22**	**158.81**	**292.52**

As at 31 March 2019

₹ Crore

Particulars	As at 1 April 2018	Additions	Deductions/ Adjustments	Capitalised	As at 31 March 2019
Right of use - others	237.82	25.23	(115.53)	-	147.52
Exploration and evaluation assets - coal mines	222.94	16.08	(0.06)	-	238.96
Exploratory wells-in-progress	7.72	-	(0.07)	-	7.65
Software	8.52	1.45	11.33	9.99	11.31
	477.00	42.76	(104.33)	9.99	405.44
Less: Provision for unserviceable works	7.64	-	-	-	7.64
Total	469.36	42.76	(104.33)	9.99	397.80

6. Non-current financial assets - Investments in subsidiary and joint venture companies

₹ Crore

Particulars	Number of shares Current year/ (previous year)	Face value per share in ₹ Current year/ (previous year)		As at 31 March 2020	As at 31 March 2019
Equity instruments - Unquoted (fully paid up - unless otherwise stated, at cost)					
Subsidiary companies					
NTPC Electric Supply Company Ltd.	80,910 (80,910)	10 (10)		**0.08**	0.08
NTPC Vidyut Vyapar Nigam Ltd.	2,00,00,000 (2,00,00,000)	10 (10)		**20.00**	20.00
Kanti Bijlee Utpadan Nigam Ltd.	1,56,06,73,705 (1,51,06,73,705)	10 (10)		**1,560.67**	1,510.67
Bhartiya Rail Bijlee Company Ltd.	1,74,18,44,615 (1,59,95,33,644)	10 (10)		**1,741.84**	1,599.54
Patratu Vidyut Utpadan Nigam Ltd.	38,31,24,000 (23,41,24,000)	10 (10)		**383.12**	234.12
Nabinagar Power Generating Company Ltd.	4,41,70,05,500 (3,98,71,55,500)	10 (10)		**4,417.01**	3,987.16
NTPC Mining Ltd.	50,000 (-)	10 (-)		**0.05**	-
THDC India Limited	2,73,09,412 (-)	1000 (-)		**7,500.00**	-
North Eastern Electric Power Corporation Limited	3,60,98,10,400 (-)	10 (-)		**4,000.00**	-
				19,622.77	7,351.57
Joint venture companies					
Utility Powertech Ltd. (includes 10,00,000 bonus shares)	20,00,000 (20,00,000)	10 (10)		**1.00**	1.00
NTPC-GE Power Services Private Ltd.	30,00,000 (30,00,000)	10 (10)		**3.00**	3.00
NTPC-SAIL Power Company Ltd.	49,02,50,050 (49,02,50,050)	10 (10)		**490.25**	490.25
NTPC Tamil Nadu Energy Company Ltd.	1,42,81,06,112 (1,41,56,06,112)	10 (10)		**1,428.11**	1,415.61
Ratnagiri Gas & Power Private Ltd.	83,45,56,046 (83,45,56,046)	10 (10)	834.55		834.55
Less: Provision for impairment			816.49		775.02
				18.06	59.53
Konkan LNG Limited (Formerly known as Konkan LNG Private Ltd.)	13,97,52,264 (13,97,52,264)	10 (10)	139.75		139.75
Less: Provision for impairment			103.47		139.75
				36.28	-
Aravali Power Company Private Ltd.	1,43,30,08,200 (1,43,30,08,200)	10 (10)		**1,433.01**	1,433.01
NTPC BHEL Power Projects Private Ltd.	5,00,00,000 (5,00,00,000)	10 (10)	50.00		50.00
Less: Provision for impairment			50.00		50.00
				-	-

₹ Crore

Particulars	Number of shares Current year/ (previous year)	Face value per share in ₹ Current year/ (previous year)	As at 31 March 2020	As at 31 March 2019
Meja Urja Nigam Private Ltd.	1,58,16,39,800 (1,25,93,29,800)	10 (10)	**1,581.64**	1,259.33
Transformers and Electricals Kerala Ltd.	1,91,63,438 (1,91,63,438)	10 (10)	**31.34**	31.34
National High Power Test Laboratory Private Ltd.	3,04,00,000 (3,04,00,000)	10 (10)	**30.40**	30.40
Energy Efficiency Services Ltd.	46,36,10,000 (24,55,00,000)	10 (10)	**463.61**	245.50
CIL NTPC Urja Private Ltd.	76,900 (76,900)	10 (10)	**0.08**	0.08
Anushakti Vidhyut Nigam Ltd.	49,000 (49,000)	10 (10)	**0.05**	0.05
Hindustan Urvarak and Rasayan Ltd.	75,10,85,000 (44,03,25,000)	10 (10)	**751.09**	440.32
Trincomalee Power Company Ltd. (* Srilankan rupees)	32,86,061 (32,86,061)	100* (100)*	**15.20**	15.20
Bangladesh-India Friendship Power Company Private Ltd. (** Bangladeshi Taka)	5,42,50,000 (3,42,50,000)	100** (100)**	**444.72**	277.83
			6,727.84	5,702.45
Total			**26,350.61**	13,054.02
Aggregate amount of unquoted investments (net of provision for impairment)			**26,350.61**	13,054.02
Aggregate amount of impairment in the value of investments			**969.96**	964.77

a) Investments have been valued as per accounting policy no. C.27.1 (Note 1).

b) The Cabinet Committee on Economic Affairs in its meeting held on November 21, 2019, granted an 'in-principle' approval to the proposal of the Department of Investment and Public Asset Management, Ministry of Finance, Government of India (GOI), for the strategic disinvestment of Government of India's shareholding in THDC India Limited (THDCIL) to NTPC Limited along with transfer of management control. Pursuant to the above, the Company has acquired 74.496% of paid up share capital in THDCIL , held by GOI for an aggregate consideration of ₹ 7,500 crore, on 27 March 2020. Consequently, THDCIL has become the subsidiary of the Company w.e.f. 27 March 2020.

c) The Cabinet Committee on Economic Affairs in its meeting held on November 21, 2019, granted an 'in-principle' approval to the proposal of the Department of Investment and Public Asset Management, Ministry of Finance, GOI, for the strategic disinvestment of GOI's shareholding in North Eastern Electric Power Corporation Limited (NEEPCO) to NTPC Limited along with transfer of management control. Pursuant to the above, the Company has acquired entire paid up share capital in NEEPCO, held by GOI for an aggregate consideration of ₹ 4,000 crore, on 27 March 2020. Consequently, NEEPCO has become wholly owned subsidiary of the Company w.e.f. 27 March 2020.

d) The Board of Directors of the Company in its meeting held on 28 April 2016 accorded in principle approval for withdrawal from NTPC BHEL Power Projects Private Ltd. (NTPC-BHEL), a joint venture of the Company. As NTPC-BHEL was formed by a directive from the GOI, approval of exit from GOI is awaited. Pending withdrawal, provision for impairment loss on the entire investment in NTPC-BHEL of ₹ **50.00 crore** (upto 31 March 2019: ₹ 50.00 crore) has been made based on the un-audited accounts of NTPC-BHEL as at 31 March 2020.

e) The Board of Directors of the Company in its meeting held on 28 April 2016 accorded in principle approval for withdrawal from Transformers and Electricals Kerala Ltd. (TELK), a joint venture of the Company. GOI has accorded its approval for exit of NTPC from the joint venture. The decison of the Board of Directors of NTPC Limited and approval of GOI has been conveyed to the Government of Kerala (JV Partner) & TELK. The government of Kerala has requested NTPC to review the decision. The matter is under examination.

f) The Company has an investment of ₹ **834.55 crore** as at 31 March 2020 (31 March 2019: ₹ 834.55 crore) in the equity shares of Ratnagiri Gas and Power Private Ltd. (RGPPL), a joint venture of the Company. During the year, an assessment of impairment of the investment in RGPPL was carried out by an independent expert and the provision for impairment loss on the investment in RGPPL has been increased to ₹ **816.49 crore** (31 March 2019: ₹ 775.02 crore). Also refer Note 56.

g) The Company has an investment of ₹ **139.75 crore** as at 31 March 2020 (31 March 2019: ₹ 139.75 crore) in the equity shares of Konkan LNG Ltd. (KLL), a joint venture of the Company. During the year, an assessment of impairment of the investment in KLL was carried out by an independent expert and the provision for impairment loss on the investment in KLL amounting to ₹ **36.28 crore** (31 March 2019: Nil) has been written back and the provision has been updated to ₹ **103.47 crore** (31 March 2019: ₹ 139.75 crore). Also refer Note 56.

h) NTPC Mining Ltd has been incorporated on 29 August 2019 as a wholly owned subsidiary of the Company for taking up coal mining business.

i) Restrictions for the disposal of investments held by the Company and commitments towards certain subsidiary & joint venture companies are disclosed in Note 69 (C) (b) and (c).

7. Non-current financial assets - Other Investments

₹ Crore

Particulars	Number of shares Current year/ (previous year)	Face value per share in ₹ Current year/ (previous year)	As at 31 March 2020	As at 31 March 2019
Equity instruments (fully paid up - unless otherwise stated)				
Quoted (designated at fair value through other comprehensive income)				
PTC India Ltd.	1,20,00,000 (1,20,00,000)	10 (10)	**46.50**	88.14
			46.50	88.14
Unquoted (measured at fair value through profit or loss)				
International Coal Ventures Private Ltd.	14,00,000 (14,00,000)	10 (10)	**1.40**	1.40
BF-NTPC Energy Systems Ltd.	68,48,681 (68,48,681)	10 (10)	**2.38**	2.38
			3.78	3.78
Co-operative societies			**#**	#
Total			**50.28**	91.92
Aggregate amount of quoted investments at cost			**12.00**	12.00
Aggregate market value of the quoted investments			**46.50**	88.14
Aggregate amount of unquoted investments			**3.78**	3.78

\# Equity shares of ₹ **30,200**/- (31 March 2019: ₹ 30,200/-) held in various employee co-operative societies.

a) Investments have been valued as per accounting policy no. C.27.1 (Note 1).

b) The Board of Directors of NTPC Limited in its meeting held on 28 April 2016 accorded in principle approval for withdrawal from PTC India Ltd. (PTC). As the Company was formed by a directive from the GOI, approval of the GOI is awaited for exit by NTPC Limited.

c) The Board of Directors of NTPC Limited in its meeting held on 27 January 2012 accorded in principle approval for withdrawal from International Coal Ventures Private Ltd. (ICVPL). As the Company was formed by a directive from the GOI, approval of the Ministry of Steel, GOI is awaited for exit by NTPC Limited. Pending withdrawal, the Company had lost the joint control over the entity and accordingly, has classified the investment in ICVPL as 'Investment in unquoted equity instruments'.

d) The Board of Directors of NTPC Limited in its meeting held on 19 June 2014 accorded in principle approval for withdrawal from BF-NTPC Energy Systems Ltd. (BF-NTPC), a joint venture of the Company. As BF-NTPC was formed by a directive from the GOI, approval of the GOI was sought for exit by the Company. Ministry of Power, GoI conveyed its approval for winding up of BF-NTPC on 8 January 2018. Consequently, liquidator was appointed in the extra-ordinary general meeting of BF-NTPC held on 9 October 2018. The winding up is under process. Pursuant to winding up proceedings, the Company had lost the joint control over the entity and accordingly, has classified the investment in BF NTPC as 'Investment in unquoted equity instruments'. The difference between the cost of investment and the fair value has been provided for in the earlier years.

e) The Company is of the view that provisions of Ind AS 24 'Related Party Disclosures' and Ind AS 111 'Joint Arrangements' are not applicable to the investments made in PTC India Ltd., International Coal Ventures Private Ltd. and BF-NTPC Energy systems Ltd., and the same has been accounted for as per the provisions of Ind AS 109 'Financial Instruments'.

f) No strategic investments in equity instruments measured at FVTOCI were disposed during the financial year 2019-20, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

8. Non-current financial assets - Loans

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Loans (Considered good, unless otherwise stated)		
Related parties		
Unsecured	**147.68**	116.61
Employees (including accrued interest)		
Secured	**261.93**	229.26
Unsecured	**167.37**	174.33
Others		
UnSecured	**23.28**	24.18
Total	**600.26**	544.38

a) Due from directors and officers of the Company		
Directors	**0.01**	0.01
Officers	**-**	-
b) Loans to related parties include:		
Key management personnel	**0.01**	0.01
Kanti Bijli Utapadan Nigam Ltd. (Subsidiary company)	**128.67**	110.00
National High Power Test Laboratory Private Ltd. (Joint venture company)	**18.40**	6.00
NTPC Education and Research Society	**0.60**	0.60

c) Other loans represent loan of ₹ **23.28 crore** (31 March 2019: ₹ 24.18 crore) given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) which is covered by a guarantee given by the Government of Andhra Pradesh vide GO dated 3 April 2003.

d) Loans to the employees are secured against the mortgage of the house properties and hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

9. Non-current assets - Other financial assets

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Share application money pending allotment in		
Subsidiary companies		
Kanti Bijlee Utpadan Nigam Limited	**50.00**	
Bhartiya Rail Bijlee Company Ltd.	**32.28**	121.59
Patratu Vidyut Utpadan Nigam Ltd.	**115.00**	-
	197.28	121.59
Joint venture companies		
Meja Urja Nigam Private Limited	**-**	60.00
	-	60.00

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₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Claims recoverable	**771.36**	739.54
Finance lease receivables (Refer Note 66)	**409.14**	470.96
Mine closure deposit	**47.38**	32.20
Total	**1,425.16**	1,424.29

a) The shares against the share application money pending allotment are expected to be allotted in due course.

b) Claims recoverable includes ₹ **749.01 crore** (31 March 2019: ₹ 719.71 crore) towards the cost incurred upto 31 March 2020 in respect of one of the hydro power projects, the construction of which has been discontinued on the advice of the Ministry of Power (MOP), GOI which includes ₹ **439.57 crore** (31 March 2019: ₹ 413.40 crore) in respect of arbitration awards challenged by the Company before Hon'ble High Court of Delhi. In the event the Hon'ble High Court grants relief to the Company, the amount would be adjusted against Current liabilities - Provisions - Provision for others (Note 30). Management expects that the total cost incurred, anticipated expenditure on the safety and stabilisation measures, other recurring site expenses and interest costs as well as claims of contractors/vendors for various packages for this project will be compensated in full by the GOI. Hence, no provision is considered necessary.

c) The Company had ascertained that the Power Purchse Agreement (PPA) entered into for Stage-I of a power station with the beneficiary falls under the definition of finance lease. Accordingly, the written down value of the specified assets was derecognized from PPE and accounted as Finance Lease Receivable (FLR) on transition to Ind AS. The Company has continued to classify this arrangement with its customer as lease based on the practical expedient provided in Ind AS 116. Accordingly, recovery of capacity charges towards depreciation, interest on loan capital & return on equity (pre-tax) components from the beneficiary are continued to be adjusted against FLR. The interest component of the FLR and amount received on account of revision of tariff of previous periods in respect of the above three elements are continued to be recognised as 'Interest income on Assets under finance lease' under 'Revenue from operations' (Note 32).

d) As per the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, Escrow Accounts have been opened for each captive mine and the balances held in these escrow accounts are presented as 'Mine closure deposit'. Up to 80% of the total deposited amount including interest accrued in the escrow account shall be released after every five years in line with the periodic examination of the closure plan as per the Guidelines. Interest earned on the escrow account is added to mine closure deposit account.

10. Other non-current assets

₹ Crore

Particulars		As at 31 March 2020	As at 31 March 2019
Capital advances			
(Considered good unless otherwise stated)			
Secured		**17.83**	21.65
Unsecured			
Covered by bank guarantee		**1,796.85**	1,737.16
Others		**2,999.59**	3,235.64
Considered doubful		**44.70**	45.04
Less: Allowance for bad and doubtful advances		**44.70**	45.04
		4,814.27	4,994.45
Advances other than capital advances			
Security deposits		**91.36**	81.55
Advances to contractors and suppliers			
Unsecured	**2,082.05**		2,149.72
Considered doubful	**112.57**		112.57
Less: Allowance for bad and doubtful advances	**112.57**		112.57
		2,082.05	2,149.72

₹ Crore

Particulars		As at 31 March 2020	As at 31 March 2019
Advance tax and tax deducted at source	14,385.69		15,989.67
Less: Provision for tax	12,784.45		11,447.77
		1,601.24	4,541.90
Deferred foreign currency fluctuation asset		2,404.42	1,370.53
Deferred payroll expenditure		129.28	131.15
Total		11,122.62	13,269.30

a) In line with accounting policy no. 15 (Note 1), deferred foreign currency fluctuation asset has been accounted and (-) ₹ **255.22 crore** (31 March 2019: (-) ₹ 120.25 crore) being the exchange fluctuations on account of foreign currency loans have been adjusted in 'Energy sales' under 'Revenue from operations' (Note 32).

b) Capital advances include amounts given as advance against works to the following private companies (related parties) in which one or more directors of the Company are directors:

NTPC-GE Power Services Private Ltd.	15.81	21.82
NTPC BHEL Power Projects Private Ltd.	128.11	139.52
Aravali Power Company Private Ltd.	-	0.09

c) Capital advances include ₹ **224.29 crore** (31 March 2019: ₹ 224.29 crore), paid to a contractor pending settlement of certain claims which are under arbitration. The amount will be adjusted with the cost of related work or recovered from the party, depending upon the outcome of the arbitration proceedings.

d) Advances to contractors and suppliers include payments to Railways amounting to ₹ **2,063.56 crore** (31 March 2019: ₹ 2,097.65 crore) under customer funding model as per policy on 'Participative model for rail-connectivity and capacity augmentation projects' issued by the Ministry of Railways, GOI. As per this policy, an agreement has been signed between the Company and the Ministry of Railways, GOI on 6 June 2016. As per the agreement, railway projects agreed between the Company and Railways will be constructed, maintained and operated by Railways and ownership of the line and its operations and maintenance will always remain with them. Railways will pay upto 7% of the amount invested through freight rebate on freight volumes every year till the funds provided by the Company are fully recovered along-with interest (equal to the prevailing rate of dividend payable by Railways at the time of signing of respective agreements), subject to the rebate not exceeding the freight amount in the accounting year, after commercial operation date (COD) of the railway projects. During the year, one of the projects has achieved COD. Freight rebate amount in consonance with the agreement clauses, is under verification by the Railways and the said advance will be adjusted upon receipt of the claim amount from Railways.

e) Capital advances are secured against the hypothecation of the construction equipment/material supplied by the contractors/suppliers.

f) Loans given to employees are measured at amortized cost. The deferred payroll expenditure represents the benefits on account of interest rate on loans being lower than the market rate of interest. The same is amortized on a straight-line basis over the remaining period of the loan.

11. Current assets - Inventories

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Coal	5,505.67	3,569.62
Fuel oil	508.62	399.88
Naphtha	128.38	127.66
Stores and spares	3,793.24	3,307.09
Chemicals and consumables	151.40	138.57
Loose tools	11.12	9.30
Steel scrap	18.68	18.09
Others	785.23	668.99
	10,902.34	8,239.20
Less: Provision for shortages	23.87	111.85
Provision for obsolete/unserviceable items/ diminution in value of surplus inventory	146.61	139.33
Total	10,731.86	7,988.02

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Inventories include material-in-transit		
Coal	**324.13**	285.01
Stores and spares	**44.28**	34.23
Chemicals and consumables	**1.58**	2.21
Loose tools	**0.03**	0.04
Others	**2.77**	1.92

a) Inventory items have been valued as per accounting policy no. C.9 (Note 1).

b) Inventories - Others includes steel, cement, ash bricks etc.

c) Refer Note 21 and 48 (b) for information on inventories pledged as security by the Company.

d) Refer Note 48 (a) for information on inventories consumed and recognised as expense during the year.

e) Paragraph 32 of Ind AS 2 - Inventories provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Company is operating in the regulatory environment and as per CERC Tariff Regulations, cost of fuel and other inventory items are recovered as per extant tariff regulations. Accordingly, the realizable value of the inventories is not lower than the cost.

12. Current financial assets - Trade receivables

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Unsecured, considered good	**15,668.11**	8,433.86
Credit impaired	**0.20**	0.34
	15,668.31	8,434.20
Less: Provision for credit impaired trade receivables	**0.20**	0.34
Total	**15,668.11**	8,433.86

a) Based on arrangements between Company, banks and benificiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ **10,692.34 crore** (31 March 2019 ₹ 9,998.75 crore). Also refer Note 69 A(c).

b) Amounts receivable from related parties are disclosed in Note 53.

13. Current financial assets - Cash and cash equivalents

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks in current accounts	**19.63**	22.83
Cheques and drafts on hand	**0.67**	1.48
Others (stamps on hand)	**0.07**	0.07
Total	**20.37**	24.38

14. Current financial assets - Bank balances other than cash and cash equivalents

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**629.86**	631.86
Earmarked balances with banks#	**1,558.88**	1,488.10
Total	**2,188.74**	2,119.96
# Earmarked balances with banks towards:		
Redemption of bonds due for repayment within one year	**111.00**	332.00
Fly ash utilisation reserve fund*	**588.48**	636.63

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
DDUGJY Scheme of the GOI**	802.49	466.16
Unpaid dividend account balance	19.35	17.68
Amount deposited as per court orders	5.00	5.00
Unpaid interest/refund account balance - Bonds	5.22	4.69
Payment Security Fund - MNRE	27.30	25.89
Unpaid interest on public deposit	0.03	0.03
Security with government authorities	0.01	0.02
Total	**1,558.88**	1,488.10

* Refer Note 20 (d) regarding fly ash utilization reserve fund.

** Out of advance for DDUGJY Scheme of the GOI. Refer Note 28 (c) and 29 (a).

a) In line with the guidelines issued by Ministry of New and Renewable Energy (MNRE), GOI under National Solar Mission-II, a Payment Security Fund/Working Capital Fund will be set up/created by the MNRE. Upon creation of the said fund, amounts accrued from encashment of bank guarantee, penalties/liquidated damages on developers deducted by the Company from the Solar Power Developers (SPDs) as per the guidelines of MNRE shall be transferred to this fund. The said fund is yet to be created by MNRE. Pending creation of the fund, amount deducted by the Company on account of liquidated damages/penalties from the SPDs is earmarked for the said fund and is not available for use by the Company.

15. Current financial assets - Loans

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Loans (including interest accrued)		
(Considered good unless otherwise stated)		
Related parties		
Unsecured	65.04	67.61
Employees		
Secured	73.18	67.61
Unsecured	169.45	169.68
Others		
UnSecured	0.89	0.89
Total	**308.56**	305.79
a) Due from Directors and Officers of the Company		
Directors	0.02	0.11
Officers	-	-
b) Loans to related parties include:		
Key management personnel	0.02	0.11
Patratu Vidyut Utpadan Nigam Ltd. (Subsidiary company)	-	7.00
Kanti Bijlee Utpadan Nigam Ltd. (Subsidiary company)	64.33	60.50
National High Power Test Laboratory Private Ltd. (Joint venture company)	0.69	-

c) Other loans represent loans of ₹ **0.89 crore** (31 March 2019: ₹ 0.89 crore) given to APIIC which is covered by a guarantee given by the Government of Andhra Pradesh vide GO dated 3 April 2003.

d) Loans to the employees are secured against the mortgage of the house properties and hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

16. Current assets - Other financial assets

₹ Crore

Particulars		As at 31 March 2020	As at 31 March 2019
Advances			
(Considered good unless otherwise stated)			
Related parties			
Unsecured		**344.78**	342.11
Employees			
Unsecured	**10.45**		12.93
Considered doubtful	**0.06**		0.06
Less: Allowance for bad and doubtful advances	**0.06**		0.06
		10.45	12.93
Others			
Unsecured		**16.93**	-
		372.16	355.04
Claims recoverable			
Unsecured, considered good	**50.19**		45.73
Considered doubtful	**0.12**		15.07
Less: Allowance for doubtful claims	**0.12**		15.07
		50.19	45.73
Unbilled revenue		**11,025.15**	7,870.83
Hedging cost recoverable from beneficiaries		**-**	5.93
Derivative MTM asset		**-**	1.28
Finance lease receivables		**55.23**	49.04
Others		**26.40**	3.99
Total		**11,529.13**	8,331.84

a) Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ **8,064.11 crore** (31 March 2019: ₹ 6,961.66 crore) billed to the beneficiaries after 31 March for energy sales.

b) Advance to related parties include:

Subsidiary companies	**243.58**	212.76
Joint venture companies	**81.55**	52.50

c) Advances include amounts due from the following private companies in which one or more directors of the Company are directors:

NTPC-GE Power Services Private Ltd.	**1.10**	0.83
Aravali Power Company Private Ltd.	**4.83**	2.25
NTPC BHEL Power Projects Private Ltd.	**7.02**	6.44
Meja Urja Nigam Private Ltd.	**7.97**	13.97
Bangladesh India Friendship Power Company Private Ltd.	**-**	0.60

d) Other financial assets - Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity etc.

17. Current assets - Other current assets

₹ Crore

Particulars		As at 31 March 2020	As at 31 March 2019
Security deposits (unsecured)		**1,826.13**	1,480.21
Advances			
(Considered good unless otherwise stated)			
Related parties			
Unsecured		**729.65**	2,043.55
Employees			
Unsecured		**2.67**	6.07
Contractors and suppliers			
Secured	-		1.39
Unsecured	**782.59**		7,020.15
Considered doubtful	**3.23**		3.38
Less: Allowance for bad and doubtful advances	**3.23**		3.38
		782.59	7,021.54
Others			
Unsecured		**44.84**	104.29
		1,559.75	9,175.45
Interest accrued on			
Advance to contractors		**35.26**	45.60
Claims recoverable			
Unsecured, considered good	**4,732.50**		4,095.57
Considered doubtful	**125.00**		134.55
Less: Allowance for doubtful claims	**125.00**		134.55
		4,732.50	4,095.57
Assets held for disposal		**90.84**	100.81
Deferred payroll expenses		**23.78**	26.06
Others		**110.15**	6.19
Total		**8,378.41**	14,929.89

a) Security deposits (unsecured) include ₹ **21.37 crore** (31 March 2019: ₹ 23.48 crore) towards sales tax deposited with sales/commercial tax authorities, ₹ **494.47 crore** (31 March 2019: ₹ 299.79 crore) deposited with Courts, ₹ **199.74 crore** (31 March 2019: ₹ 188.44 crore) deposited with LIC for making annuity payments to the land oustees, ₹ **361.74 crore** (31 March 2019: ₹ 275.05 crore) deposited with the Water Resource Department, Govt. of Chhattisgarh for drawl of water and ₹ **500.00 crore** (31 March 2019: ₹ 356.31 crore) deposited against bank guarantee with one of the party as per the direction of the Hon'ble Supreme Court of India, refer Note 57 (iii).

b) Advances - Contractors and suppliers - unsecured includes an amount of ₹ **0.60 crore** (31 March 2019: ₹ 5,769.00 crore) paid to Indian Railways to be adjusted against freight payable on coal transportation, pursuant to the agreement entered into with Indian Railways, Ministry of Railways, GOI.

c) Advances - Others include prepaid expenses amounting to ₹ **40.65 crore** (31 March 2019: ₹ 104.06 crore).

d) Advances - Related parties include amounts due from the following private companies in which one or more directors of the Company are directors:

NTPC-GE Power Services Private Ltd.	**0.01**	0.01
NTPC BHEL Power Projects Private Ltd.	**1.33**	1.33
Aravali Power Company Private Ltd.	**19.05**	19.05

e) Loans given to employees are measured at amortized cost. The deferred payroll expenditure represents the benefits on account of interest rate on loans being lower than the market rate of interest. The same is amortized on a straight-line basis over the remaining period of the loan.

f) Asset held for disposal includes an amount of ₹ **89.31 crore** (31 March 2019: ₹ 98.90 crore) in respect of one of the power stations which has since been shut down in compliance to order of Delhi Polution Control Committee (DPCC) dated 25 July 2018. The operations of the station was permanently discontinued w.e.f.15 October 2018 and the assets of the power station are in the process of disposal and/or being utilised at other locations of the Company.

18. Regulatory deferral account debit balances

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
On account of		
Exchange differences	**1,271.27**	68.19
Employee benefits expense	**759.40**	759.40
Deferred tax	**6,265.24**	2,399.12
Ash transportation cost	**826.85**	179.29
Total	**9,122.76**	3,406.00

a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer Note 64 for detailed disclosures.

b) CERC Tariff Regulations, 2019 provide for recovery of deferred tax liability (DTL) as at 31 March 2009 from the beneficiaries. Accordingly, DTL as at 31 March 2009 is recoverable on materialisation from the beneficiaries. Regulations, 2014 and Regulations,2019 provide for grossing-up the rate of return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Accordingly, deferred tax liability for the period from 1 April 2014 will be reversed in future years when the related DTL forms part of current tax. Keeping in view the above, the Company has recognized such deferred tax as regulatory deferral account debit balances, since the amounts are recoverable in future years.

19. Equity share capital

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Equity share capital		
Authorised		
10,00,00,00,000 shares of par value ₹10/- each (10,00,00,00,000 shares of par value ₹10/- each as at 31 March 2019)	**10,000.00**	10,000.00
Issued, subscribed and fully paid up		
9,89,45,57,280 shares of par value ₹ 10/- each (9,89,45,57,280 shares of par value ₹10/- each as at 31 March 2019)	**9,894.56**	9,894.56

a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

₹ Crore

Particulars	Number of shares	
	31 March 2020	31 March 2019
At the beginning of the year	**9,89,45,57,280**	8,24,54,64,400
Issued during the year - Bonus shares	**-**	1,64,90,92,880
Outstanding at the end of the year	**9,89,45,57,280**	9,89,45,57,280

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) Dividends:

₹ Crore

Particulars	Paid during the year ended	
	31 March 2020	31 March 2019
(i) Dividends paid and recognised during the year		
Final dividend for the year ended 31 March 2019 of ₹ 2.50 (31 March 2018: ₹ 2.39) per equity share	**2,473.64**	1,970.67
Interim dividend for the year ended 31 March 2020 of ₹ 0.50 (31 March 2019: ₹ 3.58) per equity share	**494.73**	2,951.88

(ii) Dividends not recognised at the end of the reporting period	31 March 2020	31 March 2019
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 2.65 (31 March 2019: ₹ 2.50) per equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**2,622.06**	2,473.64

d) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	%age holding	No. of shares	%age holding
- President of India*	**5,04,80,97,508**	**51.02**	5,58,11,67,271	56.41
- Life Insurance Corporation of India (including shares held in various Funds/Schemes)	**1,03,26,64,560**	**10.44**	1,13,84,46,831	11.51
- ICICI Prudential Mutual Fund	**73,55,85,649**	**7.43**	54,53,42,820	5.51

* Includes 3,10,46,970 (0.32%) shares held by GoI in CPSE ETF Account as at the previous year ended 31 March 2019.

e) **Shares allotted as fully paid up by way of bonus shares:**

The Company had issued 1,64,90,92,880 equity shares of ₹ 10/- each as fully paid bonus shares in the financial year 2018-19 in the ratio of one equity share of ₹ 10/- each for every five equity shares held.

20. Other equity

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve	**50.08**	50.08
Securities premium	**2,228.46**	2,228.46
Bonds/debentures redemption reserve	**7,011.43**	7,902.43
Fly ash utilisation reserve fund	**588.48**	636.63
General reserve	**90,182.53**	83,682.53
Retained earnings	**3,664.48**	3,022.42
Reserve for equity instruments through OCI	**(50.58)**	(8.94)
Total	**1,03,674.88**	97,513.61

(a) **Capital reserve**

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance and closing balance	**50.08**	50.08

Capital reserve represents amount received by the Company during 2001-02 as consideration under settlement for withdrawal from an erstwhile JV project. There is no movement in the capital reserve balance during the year. This amount will be utilised as per the provisions of the Companies Act,2013.

(b) Securities premium

₹ Crore

Particulars	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Opening balance and closing balance	**2,228.46**	2,228.46

Securities premium is used to record the premium on issue of shares/securities. This amount will be utilised in accordance with the provisions of the Companies Act, 2013. There is no movement in the balance of securities premium during the year.

(c) Bonds/Debentures redemption reserve

₹ Crore

Particulars	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Opening balance	**7,902.43**	7,274.56
Add: Transfer from retained earnings	**-**	1,732.37
Less: Transfer to retained earnings	**891.00**	1,104.50
Closing balance	**7,011.43**	7,902.43

Ministry of Corporate Affairs has notified Companies (Share Capital and Debentures) Amendment Rules, 2019 on 16 August 2019. As per the amendment, Debenture Redemption Reserve (DRR) is not required to be created in case of Companies whose securities are listed. Accordingly, the Company has not created any Bonds/Debenture Redemption Reserve during the year. Further, the outstanding balance of Bonds / Debenture Redemption Reserve created up to 31 March 2019 shall be written back as and when the respective bonds / debentures are redeemed.

(d) Fly ash utilisation reserve fund

₹ Crore

Particulars	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Opening balance	**636.63**	631.21
Add: Transferred during the year:		
Revenue from operations	**165.45**	172.02
Other income	**35.50**	40.65
Less: Utilised during the year:		
Capital expenditure	**4.81**	1.42
Employee benefits expense	**-**	18.42
Other expenses	**210.97**	178.65
Tax Expense	**33.32**	8.76
Closing balance	**588.48**	636.63

Pursuant to Gazette Notification dated 3 November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved.

During the year, proceeds of ₹ **165.45 crore** (31 March 2019: ₹ 172.02 crore) from sale of ash/ash products, ₹ **35.50 crore** (31 March 2019: ₹ 40.65 crore) towards income on investment have been transferred to fly ash utilization reserve fund. An amount of ₹ **249.10 crore** (31 March 2019: ₹ 207.25 crore) has been utilized from the fly ash utilization reserve fund on expenses incurred for activities as specified in the aforesaid notification of MOEF.

The fund balance of ₹ **588.48 crore** (31 March 2019: ₹ 636.63 crore) has been kept in 'Bank balances other than cash & cash equivalents' (Note 14). Refer Note 18 & 64 for ash transportation cost.

(e) General reserve

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	**83,682.53**	80,831.63
Add : Transfer from retained earnings	**6,500.00**	4,500.00
Less : Utilised for issuance of Bonus Shares	**-**	1,649.10
Closing balance	**90,182.53**	83,682.53

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The same will be utilised as per the provisions of the Companies Act, 2013. The Company had issued 1,64,90,92,880 equity shares of ₹ 10/- each as fully paid bonus shares during the previous year ended 31 March 2019 in the ratio of one equity share of ₹ 10/- each for every five equity shares held.

(f) Retained earnings

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	**3,022.42**	2,508.57
Add: Profit for the year as per statement of profit and loss	**10,112.81**	11,749.89
Transfer from bonds/debentures redemption reserve	**891.00**	1,104.50
Less: Transfer to bonds/debentures redemption reserve	**-**	1,732.37
Transfer to general reserve	**6,500.00**	4,500.00
Final dividend paid	**2,473.64**	1,970.67
Tax on final dividend paid	**506.62**	400.96
Interim dividend paid	**494.73**	2,951.88
Tax on interim dividend paid	**101.18**	599.53
	3,950.06	3,207.55
Items of other comprehensive income recognised directly in retained earnings:		
- Net actuarial gains/(losses) on defined benefit plans (net of tax)	**(285.58)**	(185.13)
Closing balance	**3,664.48**	3,022.42

Retained Earnings are the profits of the Company earned till date net of appropriations. The same will be utilised for the purposes as per the provisions of the Companies Act, 2013.

(g) Reserve for equity instruments through OCI

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	**(8.94)**	7.80
Add: Fair value gain/(loss) on equity instruments for the year	**(41.64)**	(16.74)
Closing balance	**(50.58)**	(8.94)

The Company has elected to recognize changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated in reserve for equity instruments through OCI within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognized.

21. Non-current financial liabilities -Borrowings

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Bonds/debentures		
Secured		
7.37% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2035 (Fifty Sixth Issue - Public Issue - Series 3A)[X]	**188.98**	188.96
7.62% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2035 (Fifty Sixth Issue - Public Issue - Series 3B)[X]	**171.74**	171.72
8.61% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4 March 2034 (Fifty First Issue C - Private Placement) [III]	**322.11**	322.11
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2033 (Fiftieth Issue - Public Issue - Series 3A)[VII]	**319.93**	319.80
8.91% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2033 (Fiftieth Issue - Public Issue - Series 3B)[VII]	**410.39**	410.22
7.37% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 14 December 2031 (Sixty Sixth Issue - Private Placement)[II]	**4,009.35**	4,010.36
7.49% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 7 November 2031 (Sixty Fourth Issue - Private Placement)[XI]	**720.70**	720.46
7.28% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2030 (Fifty Sixth Issue - Public Issue - Series 2A)[X]	**133.48**	133.46
7.53% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2030 (Fifty Sixth Issue - Public Issue - Series 2B)[X]	**49.91**	49.90
7.32% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 17 July 2029 (Sixty Ninth Issue - Private Placement)[XI]	**4,522.50**	-
8.63% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4 March 2029 (Fifty First Issue B - Private Placement) [III]	**105.70**	105.70
8.30% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 15 January 2029 (Sixty Seventh Issue - Private Placement) [VI]	**4,069.62**	4,068.88
8.48% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2028 (Fiftieth Issue - Public Issue - Series 2A)[VII]	**256.14**	256.04
8.73% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2028 (Fiftieth Issue - Public Issue - Series 2B)[VII]	**93.73**	93.69
7.47% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 16 September 2026 (Sixty Third Issue - Private Placement)[XI]	**696.89**	696.67

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
7.58% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 23 August 2026 (Sixty Second Issue - Private Placement)[XI]	**836.60**	836.51
8.05% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 5 May 2026 (Sixtieth Issue - Private Placement)[XI]	**1,072.62**	1,072.80
8.19% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 15 December 2025 (Fifty Seventh Issue - Private Placement)[XI]	**511.80**	511.81
7.11% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2025 (Fifty Sixth Issue - Public Issue - Series 1A)[X]	**112.02**	111.99
7.36% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2025 (Fifty Sixth Issue - Public Issue - Series 1B)[X]	**68.21**	68.19
7.15% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 10,00,000/- each redeemable at par in full on 21 August 2025 (Fifty Fifth Issue - Private Placement)[VIII]	**313.13**	313.11
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 22 September 2024 (Fifty Third Issue - Private Placement)[VIII]	**1,047.85**	1,047.48
9.34% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24 March 2024 (Fifty Second Issue - Private Placement)[III]	**751.54**	751.34
8.19% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 10,00,000/- each redeemable at par in full on 4 March 2024 (Fifty First Issue A - Private Placement)[III]	**75.47**	75.47
8.41% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2023 (Fiftieth Issue - Public Issue - Series 1A)[VII]	**500.03**	499.83
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2023 (Fiftieth Issue - Public Issue - Series 1B)[VII]	**213.92**	213.84
9.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 04 May 2023 and ending on 04 May 2027 (Forty Fourth Issue - Private Placement)[VII]	**542.08**	542.07
8.48% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 1 May 2023 (Seventeenth Issue - Private Placement)[I]	**50.01**	50.02
8.80% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4 April 2023 (Forty Ninth Issue - Private Placement)[VII]	**217.46**	217.46
8.49% Secured non-cumulative non-convertible redeemable taxable fully paid-up bonus debentures of ₹ 12.50 each redeemable at par in three annual installments of ₹ 2.50, ₹ 5.00 and ₹ 5.00 at the end of 8th year, 9th year and 10th year on 25 March 2023, 25 March 2024 and 25 March 2025 respectively (Fifty Fourth Issue -Bonus Debentures)[IX]	**10,323.61**	10,323.61
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 7 March 2023 (Forty Eighth Issue - Private Placement)[VII]	**301.79**	301.79

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₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
9.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 25 January 2023 and ending on 25 January 2027 (Forty Second Issue - Private Placement)[III]	**508.36**	508.14
8.84% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4 October 2022 (Forty Seventh Issue - Private Placement)[VII]	**406.96**	406.91
7.93% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 3 May 2022 (Sixty Eighth Issue - Private Placement)[XI]	**3,277.51**	-
6.72% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24 November 2021 (Sixty Fifth Issue - Private Placement)[XI]	**716.36**	716.09
8.10% Secured non-cumulative non-convertible redeemable taxable bonds of ₹30,00,000/- each redeemable at par in three equal separately transferable redeemable principal parts (STRPP) at the end of 5th year, 10th year & 15th year on 27 May 2021, 27 May 2026 and 27 May 2031 respectively (Sixty first issue - Private Placement)[X]	**1,146.01**	1,145.73
8.33% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24 February 2021 (Fifty Ninth Issue - Private Placement)[XI]	**660.46**	660.12
8.93% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 19 January 2021 (Thirty Seventh Issue - Private placement)[III]	**317.20**	317.17
8.18% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 31 December 2020 (Fifty Eight Issue - Private Placement)[XI]	**306.12**	306.02
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 31 March 2020 (Thirty Third Issue- Private Placement)[III]	**-**	209.97
8.78% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 9 March 2020 (Thirty First Issue- Private Placement)[III]	**-**	531.27
11.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in five equal annual installments commencing from 6 November 2019 and ending on 6 November 2023 (Twenty Seventh Issue - Private Placement)[III]	**294.50**	368.12
7.89% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 6 May 2019 (Thirtieth Issue - Private Placement)[III]	**-**	701.82
9.3473% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 20 July 2018 and ending on 20 July 2032 (Forty Sixth Issue - Private Placement)[VII]	**69.42**	74.75
9.4376% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 16 May 2018 and ending on 16 May 2032 (Forty Fifth Issue - Private Placement)[VII]	**69.46**	74.80

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
9.2573% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 2 March 2018 and ending on 2 March 2032 (Forty Third Issue - Private Placement)III	64.04	69.37
9.6713% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 23 December 2017 and ending on 23 December 2031 (Forty First Issue - Private Placement)III	64.22	69.56
9.558% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 29 July 2017 and ending on 29 July 2031 (Fortieth Issue - Private Placement)III	64.17	69.51
9.3896% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 9 June 2017 and ending on 9 June 2031 (Thirty Ninth Issue - Private Placement)III	89.73	97.20
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 22 March 2017 and ending on 22 March 2031 (Thirty Eighth Issue - Private Placement)III	58.66	63.99
8.8086% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15 December 2016 and ending on 15 December 2030 (Thirty Sixth Issue - Private Placement)III	58.52	63.84
8.785% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15 September 2016 and ending on 15 September 2030 (Thirty Fifth Issue - Private Placement)III	93.61	102.12
8.71% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 10 June 2016 and ending on 10 June 2030 (Thirty Fourth Issue - Private Placement)III	116.96	127.59
8.8493% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 25 March 2016 and ending on 25 March 2030 (Thirty Second Issue - Private Placement)III	74.50	81.95
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9 September 2011 and ending on 9 March 2021 (Twenty Fourth Issue - Private Placement)IV	51.06	102.12

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
8.3796% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 5 August 2011 and ending on 5 February 2021 (Twenty Third Issue - Private Placement)[IV]	**51.03**	102.07
8.1771% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2 July 2011 and ending on 2 January 2021 (Twenty Second Issue - Private Placement)[IV]	**51.01**	102.02
7.7125% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2 August 2010 and ending on 2 February 2020 (Twenty First Issue - Private Placement)[V]	**-**	101.90
	41,619.18	35,659.44
Foreign currency notes		
Unsecured		
4.500 % Fixed rate notes due for repayment on 19 March 2028	**3,026.26**	2,771.92
2.750 % Fixed rate notes due for repayment on 1 February 2027	**4,220.99**	3,937.18
4.250 % Fixed rate notes due for repayment on 26 February 2026	**3,800.85**	3,482.35
4.375 % Fixed rate notes due for repayment on 26 November 2024	**3,860.77**	3,541.49
3.750 % Fixed rate notes due for repayment on 3 April 2024	**3,415.75**	-
4.750 % Fixed rate notes due for repayment on 3 October 2022	**3,803.00**	3,570.43
7.250 % Fixed global INR denominated bonds due for repayment on 3 May 2022	**2,128.81**	2,127.39
7.375 % Fixed green global INR denominated bonds due for repayment on 10 August 2021	**2,090.59**	2,087.83
5.625 % Fixed rate notes due for repayment on 14 July 2021	**3,848.76**	3,530.47
	30,195.78	25,049.06
Term loans		
From Banks		
Unsecured		
Foreign currency loans	**9,923.06**	10,245.60
Rupee term loans	**62,632.60**	47,237.27
From Others		
Unsecured		
Foreign currency loans (guaranteed by GOI)	**1,902.42**	1,893.26
Other foreign currency loans	**2,890.91**	2,966.25
Rupee term loans	**4,668.69**	5,570.58

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Lease obligations		
Secured	**21.97**	1.40
Unsecured	**807.70**	185.01
	1,54,662.31	1,28,807.87
Less: Current maturities of		
Bonds-secured	**1,542.00**	1,782.00
Foreign currency loans from banks - unsecured	**1,252.86**	2,568.74
Rupee term loans from banks - unsecured	**1,966.91**	1,726.61
Foreign currency loans from others - unsecured (guaranteed by GOI)	**207.24**	185.95
Other foreign currency loans from others - unsecured	**389.31**	534.48
Rupee term loans from others - unsecured	**690.19**	898.52
Lease obligations - secured	**8.75**	0.75
Lease obligations - unsecured	**97.66**	35.35
Interest accrued but not due on borrowings	**1,968.69**	1,377.39
Total	**1,46,538.70**	1,19,698.08

a) **Details of terms of repayment and rate of interest**

i) Unsecured foreign currency loans (guaranteed by GOI) - Others carry fixed rate of interest ranging from 1.80% p.a. to 2.30% p.a. and are repayable in 13 to 22 semi annual installments as of 31 March 2020.

ii) Unsecured foreign currency loans – Banks include loans of ₹ **132.59 crore** (31 March 2019: ₹ 243.97 crore) which carry fixed rate of interest of 1.88% p.a. and loans of ₹ **9,790.47 crore** (31 March 2019: ₹ 10,001.63 crore) which carry floating rate of interest linked to 6M USD LIBOR/6M JPY LIBOR. These loans are repayable in 3 to 17 semi-annual/annual installments as of 31 March 2020, commencing after moratorium period if any, as per the terms of the respective loan agreements.

iii) Unsecured foreign currency loans – Others include loans of ₹ **2,641.92 crore** (31 March 2019: ₹ 2,906.14 crore) which carry fixed rate of interest ranging from 1.88% p.a. to 4.13% p.a and loans of ₹ **248.99 crore** (31 March 2019: ₹ 60.11 crore) which carry floating rate of interest linked to 6M EURIBOR/6M JPY LIBOR. These loans are repayable in 3 to 18 semi annual installments as of 31 March 2020, commencing after moratorium period if any, as per the terms of the respective loan agreements.

iv) Unsecured rupee term loans from banks and others carry interest rate ranging from 6.571% p.a. to 8.30% p.a. with monthly/half-yearly rests. These loans are repayable in quarterly/half-yearly/yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of 7 to 15 years after a moratorium period of 3 to 6 years.

b) The lease obligations are repayable in installments as per the terms of the respective lease agreements generally over a period of more than 1 year and upto 99 years.

c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

<u>Details of securities</u>

I Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to National Capital Power Station.

II Secured by Equitable mortgage of the immovable properties pertaining to Vindhyachal Super Thermal Power Station on first charge basis.

III Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Sipat Super Thermal Power Project by extension of charge already created.

IV Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Sipat Super Thermal Power Project.

V Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Barh Super Thermal Power Project on first pari-passu charge basis, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Ramagundam Super Thermal Power Station by extension of charge already created.

VI Secured by Equitable mortgage, on pari-passu charge basis, of the immovable properties pertaining to Vindhyachal Super Thermal Power Station.

VII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.

VIII Secured by English mortgage of the immovable properties pertaining to Solapur Super Thermal Power Project on first charge basis.

IX Secured by Equitable mortgage of the immovable properties pertaining to Barh Super Thermal Power Project on first charge basis.

X Secured by English mortgage, on pari-passu charge basis, of the immovable properties pertaining to Solapur Super Thermal Power Project.

XI Secured by Equitable mortgage, on pari-passu charge basis, of the immovable properties pertaining to Barh Super Thermal Power Project.

XII The secured lease obligations are secured against assets taken on lease.

XIII Security cover mentioned at Sl. No. I to XI is above 100% of the debt securities outstanding.

22. Non-current financial liabilities - Trade payables

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payable for goods and services		
Total outstanding dues of		
- micro and small enterprises	10.35	6.41
- creditors other than micro and small enterprises	57.66	41.76
Total	**68.01**	48.17

a) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 67.

b) Amounts payable to related parties are disclosed in Note 53.

23. Non-current liabilities - Other financial liabilities

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Payable for capital expenditure		
- micro and small enterprises	13.14	10.85
- other than micro and small enterprises	636.10	1,245.07
Deposits from contractors and others	1.64	1.64
Others	1.36	56.73
Total	**652.24**	1314.29

a) Disclosures as required under Companies Act, 2013 / MSMED Act, 2006 are provided in Note 67.
b) Others include ₹ **Nil** (31 March 2019: ₹ 55.21 crore) being the amount payable to the Department of Water Resource, Government of Odisha pursuant to the Resolution No. 11011 dated 18 May 2015.
c) Amounts payable to related parties are disclosed in Note 53.

24. Non-current liabilities - Provisions

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits	**635.69**	588.74

Disclosures as per Ind AS 19 'Employee benefits' are provided in Note 50.

25. Non-current liabilities - Deferred tax liabilities (net)

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liability		
Difference in book depreciation and tax depreciation	**19,505.52**	14,536.74
Less: Deferred tax assets		
Provisions	**1,022.88**	1,455.48
Statutory dues	**325.21**	277.25
Leave encashment	**403.55**	321.28
MAT credit entitlement	**9,639.70**	8,257.38
Others	**20.20**	25.21
Total	**8,093.98**	4,200.14

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.
b) The Company has been recognising MAT credit entitlement available to the Company in future as the same is likely to give future economic benefits in the form of availability of set off against future income tax liability.
c) Disclosures as per Ind AS 12 - 'Income Taxes' are provided in Note 49.
d) Others mainly include deferred tax assets on account of payments related to voluntary retirement schemes.

Movement in deferred tax balances

As at 31 March 2020

₹ Crore

Particulars	As at 1 April 2019	Recognised in statement of profit and loss	Recognised in OCI	Others	As at 31 March 2020
Deferred tax liability					
Difference in book depreciation and tax depreciation	14,536.74	5,104.14	-	(135.36)	19,505.52
Less: Deferred tax assets					
Provisions	1,455.48	(431.89)	-	(0.71)	1,022.88
Statutory dues	277.25	47.96	-	-	325.21
Leave encashment	321.28	82.27	-	-	403.55
MAT credit entitlement	8,257.38	1,382.32	-	-	9,639.70
Others	25.21	(5.01)	-	-	20.20
Net tax (assets)/liabilities	**4,200.14**	**4,028.49**	**-**	**(134.65)**	**8,093.98**

As at 31 March 2019

₹ Crore

Particulars	Net balance As at 1 April 2018	Recognised in statement of profit and loss	Recognised in OCI	Others	Net balance As at 31 March 2019
Deferred tax liability					
Difference in book depreciation and tax depreciation	11,996.40	2,646.65	-	(106.31)	14,536.74
Less: Deferred tax assets					
Provisions	1,103.19	353.43	-	(1.14)	1,455.48
Statutory dues	542.84	(265.59)	-	-	277.25
Leave encashment	273.35	47.93	-	-	321.28
MAT credit entitlement	-	8,257.38	-	-	8,257.38
Others	29.86	21.33	-	(25.98)	25.21
Net tax (assets)/liabilities	10,047.16	(5,767.83)	-	(79.19)	4,200.14

26. Current financial liabilities -Borrowings

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Loans repayable on demand		
From banks		
Unsecured		
Cash credit	**12.86**	-
Unsecured		
Cash credit	**1,217.35**	2.90
Other loans		
Unsecured		
Commercial paper	**12,819.15**	15,373.19
Total	**14,049.36**	15,376.09

(a) Secured loans from banks repayable on demand are secured by first (hypothecation) charge on stock / stores / spares and other current assets (excluding receivables) paripassu with other consortium banks and trustees for bond holders and first (hypothecation) charge on receivables ranking pari passu with consortium banks.

(b) Borrowings under Commercial paper are net of unamortised discount as at 31 March 2020 amounting to ₹ **130.85 crore** (31 March 2019 : ₹126.81 crore)

(c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

27. Current financial liabilities - Trade payables

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payable for goods and services		
Total outstanding dues of		
- micro and small enterprises	**495.70**	353.41
- creditors other than micro and small enterprises	**8,504.93**	7,197.53
Total	**9,000.63**	7,550.94

a) Disclosures as required under Companies Act, 2013 / MSMED Act, 2006 are provided in Note 67.

b) Amounts payable to related parties are disclosed in Note 53.

28. Current liabilities - Other financial liabilities

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of non-current borrowings		
Bonds - Secured	**1,542.00**	1,782.00
From Banks		
Unsecured		
Foreign currency loans	**1,252.86**	2,568.74
Rupee term loans	**1,966.91**	1,726.61
From Others		
Unsecured		
Foreign currency loans (guaranteed by GOI)	**207.24**	185.95
Other foreign currency loans	**389.31**	534.48
Rupee term loans	**690.19**	898.52
	6,048.51	7,696.30
Current maturities of lease obligations - Secured	**8.75**	0.75
Current maturities of lease obligations - Unsecured	**97.66**	35.35
Interest accrued but not due on borrowings	**1,968.69**	1,377.39
Unpaid dividends	**19.35**	17.69
Unpaid matured deposits and interest accrued thereon	**0.19**	0.19
Unpaid matured bonds and interest accrued thereon	**5.55**	5.01
Unpaid bond refund money-Tax free bonds	**0.24**	0.26
Book overdraft	**-**	10.54
Payable to customers	**40.53**	162.27
Payable for capital expenditure		
- micro and small enterprises	**209.82**	216.84
- other than micro and small enterprises	**13,211.64**	13,393.09
Hedging gain payable to beneficiaries	**-**	7.21
Other payables		
Deposits from contractors and others	**171.05**	190.69
Payable to employees	**954.73**	772.08
Payable to solar Payment Security Fund	**27.30**	25.89
Others	**951.73**	990.72
Total	**23,715.74**	24,902.27

a) Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured non-current borrowings indicated above are disclosed in Note 21.

b) Unpaid dividends, matured deposits, bonds and interest include the amounts which have either not been claimed by the investors/holders of the equity shares/bonds/fixed deposits or are on hold pending legal formalities etc. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred.

c) 'Other payables - Others' mainly includes ₹ **410.27 crore** (31 March 2019: ₹ 472.27 crore) towards the implementation of Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) Scheme of the GOI being carried out by the Company. The funds for the implementation of these schemes are provided by the agencies nominated by the GOI in this regard. Further, 'Other payables - Others' also include ₹ **380.48 crore** (31 March 2019: ₹ 319.74 crore) payable to the Department of Water Resource, Government of Odisha and amount payable to hospitals, etc.

d) The Company had obtained exemption from the Ministry of Corporate Affairs (MCA), GOI in respect of applicability of Section 58A from the erstwhile Companies Act, 1956 in respect of deposits held from the dependants of employees who die or suffer permanent total disability under the 'Employees Rehabilitation Scheme' (said amount is included in "Other payables - Others"). Consequent upon enactment of the Companies Act, 2013, the Company has written to the MCA for clarification on continuation of above exemption granted earlier, which is still awaited. Based on an expert opinion, the amount accepted under the Scheme is not considered as a deposit under the Companies Act, 2013.

e) Disclosures as required under the Companies Act,2013 / MSMED Act, 2006 are provided in Note 67.

f) Amounts payable to related parties are disclosed in Note 53.

29. Current liabilities - Other current liabilities

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Advances from customers and others	**611.81**	183.45
Other payables		
Statutory dues	**659.09**	500.89
Total	**1,270.90**	684.34

(a) Advance received for the DDUGJY (including interest thereon) of ₹ **460.98 crore** (31 March 2019: ₹ 58.28 crore) is included in 'Advance from customers and others'. Refer Note 28 (c). Tax deducted at source on the interest is included in 'Advance tax and tax deducted at source' - Note 10.

30. Current liabilities - Provisions

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for		
Employee benefits	**1,523.26**	1,244.92
Obligations incidental to land acquisition	**3,506.01**	3,499.74
Tariff adjustment	**190.68**	98.77
Others	**1,610.27**	1,996.93
Total	**6,830.22**	6,840.36

a) Disclosures required by Ind AS 19 'Employee Benefits' are provided in Note 50.

b) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are provided in Note 57.

c) Provision for others mainly comprise ₹**101.05 crore** (31 March 2019: ₹ 85.14 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to Block AA-ONN-2003/2 (Refer Note 59), ₹ **1,506.83 crore** (31 March 2019: ₹ 1,908.43 crore) towards provision for cases under litigation and ₹ **2.39 crore** (31 March 2019: ₹ 3.36 crore) towards provision for shortage in property, plant and equipment on physical verification pending investigation.

31. Deferred revenue

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
On account of		
Income from foreign currency fluctuation	**2,672.30**	1,602.20
Government grants	**570.24**	537.17
Total	**3,242.54**	2,139.37

a) Foreign exchange rate variation (FERV) on foreign currency loans and interest thereon is recoverable from/payable to the customers in line with the Tariff Regulations. Keeping in view the opinion of the EAC of ICAI, the Company is recognizing deferred foreign currency fluctuation asset by corresponding credit to deferred income from foreign currency fluctuation in respect of the FERV on foreign currency loans adjusted in the cost of property, plant and equipment, which is recoverable from the customers in future years as provided in accounting policy no. C.15 (Note 1). This amount will be recognized as revenue corresponding to the depreciation charge in future years. The amount does not constitute a liability to be discharged in future periods and hence, it has been disclosed separately from equity and liabilities.

b) Government grants represent unamortised portion of grant received. This includes ₹ **543.61 crore** (31 March 2019: ₹ 535.38 crore) received from Solar Energy Corporation of India under MNRE Scheme for setting up Solar PV power projects. This amount will be recognized as revenue corresponding to the depreciation charge in future years. The amount does not constitute a liability to be discharged in future periods and hence, it has been disclosed separately from equity and liabilities. Also Refer Note 47 with regard to adjustment of grant due to rectification in respect of depreciation on solar/wind power projects.

32. Revenue from operations

₹ Crore

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Energy sales (including electricity duty)		**93,937.48**	86,420.90
Sale of energy through trading		**2,903.59**	2,894.74
Consultancy, project management and supervision fee		**245.17**	215.96
Lease rentals on assets on operating lease		**156.18**	233.63
Sale of Captive coal to Subsidiary company		**200.91**	-
		97,443.33	89,765.23
Sale of fly ash/ash products	**165.45**		172.02
Less: Transferred to fly ash utilisation reserve fund	**165.45**		172.02
		-	-
Other operating revenues			
Interest from beneficiaries		**127.09**	90.02
Energy internally consumed		**76.02**	64.07
Interest income on assets under finance lease		**59.90**	70.84
Recognised from deferred revenue - government grant		**(5.95)**	40.58
Provisions for tariff adjustments written back		**-**	276.69
		257.06	542.20
Total		**97,700.39**	90,307.43

a) (i) The CERC notified the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 vide Order dated 7 March 2019 (Regulations, 2019) for determination of tariff for the tariff period 2019-2024. Pending issue of provisional/final tariff orders with effect from 1 April 2019, capacity charges are billed to beneficiaries in accordance with the tariff approved and applicable as on 31 March 2019, as provided in Regulations, 2019. In case of projects declared commercial w.e.f. 1 April 2019 and projects where tariff applicable as on 31 March 2019 is pending from CERC, billing is done based on capacity charges as filed with CERC in the tariff petitions. Energy charges are billed as per the operational norms specified in the Regulations 2019. The amount provisionally billed is ₹ **91,339.38 crore** (31 March 2019: ₹ 88,278.09 crore).

(ii) Sales have been provisionally recognized at ₹ **91,491.55 crore** (31 March 2019: ₹ 89,007.64 crore) on the said basis.

b) Sales include ₹ **1,768.88 crore** (31 March 2019: (-) ₹ 0.02 crore) on account of income tax recoverable from / (refundable to) the beneficiaries as per Regulations, 2004. The current year amount is on account of income tax liability determined under Vivad se Vishwas Scheme notified under Direct Tax Vivad se Vishwas Act 2020. Sales also include ₹**79.97 crore** (31 March 2019: ₹ 82.68 crore) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2019. Also refer Note 49(II)(b).

c) Sales include ₹ **31.59 crore** (31 March 2019: (-) ₹ 2,775.82 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

d) Pending notification of separate Regulations by CERC for determining input price of coal from captive mines, coal extracted from Company's captive mines under operation have been provisionally accounted considering the notified price of Coal India Ltd. for equivalent grade of coal, as provided in the CERC Tariff Regulations,2019. The supply of coal from such mines under operation to a subsidiary company are priced as per these principles and disclosed as ' Sale of captive coal to subsidiary company'.

e) Energy sales include electricity duty amounting to ₹ **989.29 crore** (31 March 2019: ₹ 904.35 crore).

f) Energy sales are net of rebate to beneficiaries amounting to ₹ **433.84 crore** (31 March 2019: ₹ 815.80 crore).

g) Other operating revenue includes ₹ **76.02 crore** (31 March 2019: ₹ 64.07 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges in Note 38.

h) CERC Regulations provides that where after the truing-up, the tariff recovered is less/more than the tariff approved by the Commission, the generating Company shall recover from /pay to the beneficiaries the under/over recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries amounting to ₹ **127.09 crore** (31 March 2019: ₹ 90.02 crore) has been accounted as 'Interest from beneficiaries'. Further, the amount payable to the beneficiaries has been accounted as 'Interest to beneficiaries' in Note 38.

i) The Power Purchase Agreements (PPA) signed in respect of two power stations (one thermal and one gas) were operative initially for a period of five years with the respective beneficiaries which may be extened, renewed or replaced as the parties mutually agree. The Company has continued to classify these arrangement with its customers as lease based on the practical expedient provided in Appendix C of Ind AS 116. Accordingly, recovery of capacity charges towards depreciation, interest on loan capital & return on equity (pre-tax) components from the beneficiaries are considered as lease rentals on the assets which are on operating lease.

j) The Company had ascertained that the PPA entered into for Stage-I of a power station with the beneficiary falls under the definition of finance lease. Accordingly, the written down value of the specified assets was derecognized from PPE and accounted as Finance Lease Receivable (FLR) on transition date to Ind AS. The Company has continued to classify this arrangement with its customer as lease based on the practical expedient provided in Appendix C of Ind AS 116. Accordingly, recovery of capacity charges towards depreciation (including AAD), interest on loan capital & return on equity (pre-tax) components from the beneficiary are continued to be adjusted against FLR. The interest component of the FLR and amount received on account of revision of tariff of previous periods in respect of the above three elements are continued to be recognised as 'Interest income on Assets under finance lease'.

k) 'Recognized from deferred revenue-government grant' includes impact of reduction in recognition of grant for the period upto 31 March 2019 amounting to ₹ 33.32 crore corresponding to reduction in depreciation. Refer Note 47.

33. Other income

₹ Crore

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Interest from			
Financial assets at amortised cost			
Loan to subsidiary companies		**24.18**	24.30
Loan to employees		**64.47**	64.81
Deposits with banks		**26.24**	39.87
Deposits with banks out of fly ash utilisation reserve fund	**35.50**		40.65
Less : Transferred to fly ash utilisation reserve fund	**35.50**		40.65
		-	-
Deposits with banks - DDUGJY funds	**24.24**		27.04
Less : Transferred to DDUGJY advance from customers	**24.24**		27.04
		-	-
Advance to contractors		**46.46**	41.83
Income tax refund		**55.58**	-
Others		**25.20**	24.82
Dividend from			
Non-current investments in			
Subsidiary companies		**-**	20.00
Joint venture companies		**205.60**	99.39
Equity instruments designated at fair value through OCI		**4.80**	4.80
Other non-operating income			
Late payment surcharge from beneficiaries		**1,633.20**	1,299.28
Hire charges for equipment		**1.90**	1.56
Sale of scrap		**66.28**	123.26
Gain on sale of current investments measured at fair value through profit or loss		**2.80**	3.48
Miscellaneous income		**183.44**	138.84
Profit on de-recognition of property, plant and equipment		**12.25**	2.72
Provisions written back			
Impairment of investments in joint venture companies		**36.28**	-
Doubtful loans, advances and claims		**24.91**	20.39
Shortage in inventories		**20.81**	8.40
Obsolescence in inventories		**6.73**	4.17
Arbitration cases		**374.18**	1.93
Others		**8.13**	4.64
		2,823.44	1,928.49
Less: Transferred to expenditure during construction period (net) - Note 39		**44.18**	50.07
Transferred to expenditure during development of coal mines (net) - Note 40		**1.24**	6.29
Total		**2,778.02**	1,872.13

a) 'Interest from others' includes interest on advance to APIIC for drawal of water and deposits with LIC towards annuity to the land losers.
b) Miscellaneous income includes income from township recoveries and receipts towards insurance claims.

c) 'Provisions written back - Arbitration cases' include an amount of ₹ **356.31 crore** (31 March 2019: Nil) pertaining to dispute pertaining to movement of coal by the operator. Refer Note 57(iii)(b).

d) 'Provisions written back - Others' include provision for shortage in construction stores and shortage in property, plant and equipment.

34. Fuel cost

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Coal	51,609.68	48,970.01
Gas	1,988.36	3,026.39
Naptha	0.57	28.28
Oil	643.21	469.06
Total	**54,241.82**	52,493.74

35. Employee benefits expense

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	4,951.96	4,837.92
Contribution to provident and other funds	578.68	758.69
Staff welfare expenses	568.66	595.92
	6,099.30	6,192.53
Less: Allocated to fuel inventory	284.93	274.56
Transferred to expenditure during construction period (net)- Note 39	705.85	903.26
Transferred to expenditure during development of coal mines (net) - Note 40	66.17	97.10
Transferred to fly ash utilisation reserve fund	-	18.42
Reimbursements for employees on deputation	116.75	119.30
Total	**4,925.60**	4,779.89

a) Disclosures as per Ind AS 19 - 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 50.

36. Finance costs

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Finance costs on financial liabilities measured at amortised cost		
Bonds	3,215.53	2,762.43
Foreign currency term loans	369.11	411.07
Rupee term loans	4,340.87	4,016.98
Foreign currency bonds/notes	1,426.43	1,314.71
Cash credit	35.30	60.15
Unwinding of discount on vendor liabilities	118.09	99.58
Commercial papers	865.54	553.91
	10,370.87	9,218.83
Interest on non financial items	21.33	1.98
Exchange differences regarded as an adjustment to borrowing costs	764.38	156.43
Other borrowing costs		
Guarantee fee	22.68	28.74
Others	12.99	10.78
	35.67	39.52
Sub-total	11,192.25	9,416.76
Less: Transferred to expenditure during construction period (net) - Note 39	4,182.54	4,430.26
Transferred to expenditure during development of coal mines (net) - Note 40	227.74	269.76
Total	**6,781.97**	4,716.74

a) 'Other borrowing costs - Others' include bond issue and service expenses, commitment charges, exposure premium and insurance premium & other expenses on foreign currency loans / bonds/ notes.

b) Refer Note 66 w.r.t. Interest expense relating to lease obligations.

37. Depreciation and amortization expense

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On property, plant and equipment - Note 2	**9,589.88**	8,055.58
On intangible assets - Note 4	**50.77**	26.28
	9,640.65	8,081.86
Less:		
Allocated to fuel inventory	**562.90**	453.29
Transferred to expenditure during construction period (net) - Note 39	**201.13**	117.71
Transferred to expenditure during development of coal mines (net) - Note 40	**34.75**	51.57
Adjustment with deferred revenue from deferred foreign currency fluctuation	**219.02**	204.93
Total	**8,622.85**	7,254.36

a) Refer Note 66 w.r.t. Depreciation expense of right of use assets.

38. Other expenses

₹ Crore

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Power charges	**440.33**		842.98
Less: Recovered from contractors and employees	**35.77**		30.59
		404.56	812.39
Water charges		**708.57**	566.49
Cost of captive coal produced		**1,349.68**	786.40
Stores consumed		**78.86**	86.31
Rent	**7.84**		14.02
Less: Recoveries	**0.01**		0.47
		7.83	13.55
Repairs and maintenance			
Buildings	**291.72**		268.26
Plant and equipment	**2,638.88**		2,443.04
Others	**374.55**		358.64
		3,305.15	3,069.94
Load dispatch centre charges		**47.20**	34.01
Insurance		**142.91**	120.77
Interest to beneficiaries		**17.07**	-
Rates and taxes		**127.20**	99.40
Water cess and environment protection cess		**17.37**	3.96
Training and recruitment expenses	**48.19**		43.05
Less: Receipts	**0.36**		1.92
		47.83	41.13
Communication expenses		**74.69**	74.27
Travelling expenses		**249.55**	252.55
Tender expenses	**7.93**		6.84
Less: Receipt from sale of tenders	**1.04**		2.31
		6.89	4.53

₹ Crore

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Payment to auditors		**4.88**	4.40
Advertisement and publicity		**18.75**	20.52
Electricity duty		**938.24**	904.28
Security expenses		**908.18**	832.27
Entertainment expenses		**69.12**	56.76
Expenses for guest house	**53.93**		46.47
Less: Recoveries	**0.95**		0.69
		52.98	45.78
Education expenses		**59.42**	54.79
Donation		**8.00**	8.00
Ash utilisation and marketing expenses		**858.73**	342.60
Directors sitting fee		**0.73**	0.73
Professional charges and consultancy fee		**99.28**	84.57
Legal expenses		**49.41**	46.14
EDP hire and other charges		**36.71**	27.07
Printing and stationery		**6.14**	9.99
Oil and gas exploration expenses		**0.14**	0.47
Hiring of vehicles		**100.22**	102.40
Reimbursement of LC charges on sales realisation		**-**	0.01
Net loss/(gain) in foreign currency transactions and translations		**953.52**	(55.94)
Cost of hedging		**(0.99)**	(0.63)
Derivatives MTM loss/(gain) (net)		**1.28**	2.46
Horticulture expenses		**60.09**	54.74
Hire charges of helicopter/aircraft		**0.90**	12.36
Hire charges of construction equipment		**14.34**	11.52
Transport vehicle running expenses		**6.70**	7.58
Demurrage charges		**-**	0.40
Loss on de-recognition of property, plant and equipment		**59.96**	173.84
Miscellaneous expenses		**128.30**	181.21
		11,020.39	8,894.02
Less: Allocated to fuel inventory		**1,923.25**	560.43
Transferred to expenditure during construction period (net) - Note 39		**660.26**	1,124.63
Transferred to expenditure during development of coal mines (net) - Note 40		**82.37**	857.75
Transferred to derivative MTM loss/(gain) recoverable/(payable) from/to beneficiaries		**1.28**	2.46
Transferred to fly ash utilisation reserve fund		**210.97**	187.41
Transferred to corporate social responsibility expenses		**47.97**	44.23
		8,094.29	6,117.11
Corporate Social Responsibility (CSR) expenses		**303.79**	281.45

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provisions for		
Tariff adjustments	**91.91**	45.36
Impairment of investments	**41.48**	162.42
Obsolescence in inventories	**12.24**	35.98
Shortages in inventories	**20.24**	98.83
Unserviceable capital works	**39.21**	53.60
Unfinished minimum work programme for oil and gas exploration	**15.91**	11.98
Arbitration cases	**39.23**	454.41
Shortages in construction stores	**1.12**	1.86
Doubtful loans, advances and claims	**2.44**	285.27
Others	**1.95**	0.36
	265.73	1,150.07
Total	**8,663.81**	7,548.63

a) During the development stage of mine, transfer price of coal extracted from Company's captive mine has been determined considering the notified price of Coal India Ltd. for equivalent grade of coal. The same has been netted from the cost of captive coal and carried to 'Development of coal mines' (Note 3) through 'Transferred to expenditure during development of coal mines' (Note 40).

b) Details in respect of payment to auditors:

As auditor		
Audit fee	**1.91**	1.76
Tax audit fee	**0.65**	0.61
Limited review	**1.14**	1.05
In other capacity		
Other services (certification fee)	**0.51**	0.63
Reimbursement of expenses	**0.67**	0.35
Total	**4.88**	4.40

Payment to the auditors includes ₹ **0.33 crore** (31 March 2019: ₹ 0.24 crore) relating to earlier year.

c) CERC Regulations provides that where after the truing-up, the tariff recovered is more than the tariff approved by the Commission, the generating Company shall pay to the beneficiaries the over recovered amount along-with simple interest. Accordingly, the interest payable to the beneficiaries amounting to ₹**17.07 crore** (31 March 2019: ₹ Nil) has been accounted and disclosed as 'Interest to beneficiaries'.

d) Miscellaneous expenses include expenditure on books & periodicals, workshops, operating expenses of DG sets, brokerage and commission, bank charges, furnishing expenses, etc.

e) Provisions for arbitration cases includes an amount of ₹ **0.16 crore** (31 March 2019: 394.07 crore) pertaining to the dispute with the operator referred in Note 57(iii)(b) estimated and provided / updated against the award pronounced by the arbitral tribunal for which the Company has filed an appeal before Hon'ble High Court of Delhi.

f) Provisions for shortages in stores include provision for shortage of coal observed on physical verification, beyond the Company's norms, amounting to ₹ **0.24 crore** (31 March 2019: ₹ 75.32 crore).

g) Provisions - Others include provision for doubtful debts and shortages in property, plant and equipment.

39. Expenditure during construction period (net) *

₹ Crore

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
A. Employee benefits expense			
Salaries and wages		**575.35**	727.58
Contribution to provident and other funds		**56.92**	102.76
Staff welfare expenses		**73.58**	72.92
Total (A)		**705.85**	903.26
B. Finance costs			
Finance costs on financial liabilities measured at amortised cost			
Bonds		**1,122.28**	1,260.04
Foreign currency term loans		**129.13**	193.27
Rupee term loans		**1,827.64**	2,106.39
Foreign currency bonds/notes		**531.84**	648.45
Unwinding of discount on vendor liabilities		**57.46**	81.75
Exchange differences regarded as an adjustment to borrowing costs		**493.08**	124.71
Other borrowing costs - others		**21.11**	15.65
Total (B)		**4,182.54**	4,430.26
C. Depreciation and amortization expense		**201.13**	117.71
D. Other expenses			
Power charges	**286.61**		721.15
Less: Recovered from contractors and employees	**7.31**		6.06
		279.30	715.09
Water charges		**31.72**	1.76
Rent		**1.39**	2.29
Repairs and maintenance			
Buildings	**6.18**		3.91
Plant and equipment	**0.37**		0.66
Others	**94.15**		111.32
		100.70	115.89
Insurance		**1.64**	1.28
Rates and taxes		**33.87**	10.46
Communication expenses		**8.67**	11.26
Travelling expenses		**36.43**	46.33
Tender expenses		**7.17**	0.70
Advertisement and publicity		**0.35**	0.65
Security expenses		**88.93**	102.40
Entertainment expenses		**5.69**	6.10
Expenses for guest house		**6.86**	5.67
Professional charges and consultancy fee		**7.27**	12.32
Legal expenses		**7.49**	6.65
EDP hire and other charges		**2.00**	2.34
Printing and stationery		**0.47**	1.03
Miscellaneous expenses		**40.31**	82.41
Total (D)		**660.26**	1,124.63

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
E. Less: Other income		
Interest from advances to contractors	**25.77**	25.77
Interest others	**14.39**	14.64
Hire charges for equipment	**0.29**	1.14
Sale of scrap	**0.23**	4.04
Miscellaneous income	**3.50**	4.48
Total (E)	**44.18**	50.07
F. Net actuarial losses on defined benefit plans	**11.45**	(0.88)
Grand total (A+B+C+D-E+F) **	**5,717.05**	6,524.91

* Other than for expenditure during development of coal mines- (Note 40)
** Carried to capital work-in-progress - (Note 3)

40. Expenditure during development of coal mines (net)

₹ Crore

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
A. Employee benefits expense			
Salaries and wages		**52.90**	77.11
Contribution to provident and other funds		**4.89**	9.44
Staff welfare expenses		**8.38**	10.55
Total (A)		**66.17**	97.10
B. Finance costs			
Finance costs on financial liabilities measured at amortized cost			
Bonds		**64.07**	67.56
Rupee term loans		**154.67**	201.97
Unwinding of discount on vendor liabilities		**8.92**	0.09
Other borrowing costs - others		**0.08**	0.14
Total (B)		**227.74**	269.76
C. Depreciation and amortization expense		**34.75**	51.57
D. Other expenses			
Power charges	**1.43**		0.87
Less: Recovered from contractors and employees	**0.03**		0.13
		1.40	0.74
Rent		**0.44**	1.28
Repairs and maintenance			
Buildings	**0.65**		0.86
Plant and equipment			0.55
Others	**4.45**		2.42
		5.10	3.83
Cost of captive coal produced		**46.23**	785.42
Insurance		**0.09**	0.04
Rates and taxes		**0.95**	0.81
Communication expenses		**1.30**	1.96

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Travelling expenses	**3.68**	5.52
Advertisement and publicity	**0.46**	0.71
Security expenses	**6.65**	19.80
Entertainment expenses	**0.77**	0.91
Expenses for guest house	**0.74**	1.31
Professional charges and consultancy fee	**5.81**	7.51
Legal expenses	**0.11**	0.35
EDP hire and other charges	**0.38**	0.68
Printing and stationery	**0.15**	0.42
Miscellaneous expenses	**8.11**	26.46
Total (D)	**82.37**	857.75
E. Less: Other income		
Interest from advances to contractors	**0.69**	4.83
Interest others	**0.33**	1.20
Miscellaneous income	**0.22**	0.26
Total (E)	**1.24**	6.29
F. Net actuarial losses on defined benefit plans	**1.06**	(0.10)
Grand total (A+B+C+D-E+F) *	**410.85**	1,269.79

* Carried to capital work-in-progress - (Note 3)

41. Due to outbreak of COVID-19 globally and in India, the Company has made an initial assessment of its likely adverse impact on business and its associated financial risks.The Company is in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power (MOP), Government of India (GOI). By taking a number of proactive steps and keeping in view the safety of all its stakeholders, the Company has ensured the availability of its power plants to generate power and has continued to supply power during the period of lockdown.

On the directions of MOP, the Central Electricity Regulatory Commission (CERC) issued an order dated 3 April 2020 whereby it directed that Late Payment Surcharge (LPSC) shall apply at a reduced rate of 12% p.a. instead of the normal rate of 18% p.a. if any delayed payment beyond 45 days from the date of presentation of the bills falls between 24 March 2020 and 30 June 2020. Accordingly, the LPSC for the year 2020-21 is expected to be lower by ₹ 58.00 crore approximately. Further as per the directions of MOP dated 15 & 16 May 2020, issued in accordance with the announcement of GOI under the Atmanirbhar Bharat special economic and comprehensive package, the Company has decided to defer the capacity charges of ₹2,064.00 crore to DISCOMs for the lock-down period on account of COVID-19 pandemic for the power not scheduled by the DISCOMs, to be payable without interest after the end of the lockdown period in three equal monthly instalments and has allowed a rebate of ₹ 1,363.00 crore on the capacity charges billed during the lock-down period to DISCOMs on account of COVID-19, in the financial year 2020-21. These amounts are provisional and may vary due to reconciliation of related data. Due to the above, there is no material impact on the profits of the Company for the year ended 31 March 2020.

The Company believes that the impact due to the outbreak of COVID-19 is likely to be short-term in nature and does not anticipate any medium to long-term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Impact assessment of COVID-19 is a continuing process considering the uncertainty involved thereon. The company will continue to closely monitor any material changes to the future economic conditions.

42. a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters/emails with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the

parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

43. The levy of transit fee/entry tax on supplies of fuel to some of the power stations has been paid under protest as the matters are sub-judice at various courts. In case the Company gets refund/demand from fuel suppliers/tax authorities on settlement of these cases, the same will be passed on to respective beneficiaries.

44. The environmental clearance ("clearance") granted by the Ministry of Environment and Forest, Government of India (MoEF) for one of the Company's project consisting of three units of 800 MW each, was challenged before the National Green Tribunal (NGT). The NGT disposed off the appeal, inter alia, directing that the order of clearance be remanded to the MoEF to pass an order granting or declining clearance to the project proponent afresh in accordance with the law and the judgement of the NGT and for referring the matter to the Expert Appraisal Committee ("Committee") for its re-scrutiny, which shall complete the process within six months from the date of NGT order. NGT also directed that the environmental clearance shall be kept in abeyance and the Company shall maintain status quo in relation to the project during the period of review by the Committee or till fresh order is passed by the MoEF, whichever is earlier. The Company filed an appeal challenging the NGT order before the Hon'ble Supreme Court of India which stayed the order of the NGT and the matter is sub-judice. All the units of the project have been declared commercial in the earlier years. The carrying cost of the project as at 31 March 2020 is ₹ **15,662.28 crore** (31 March 2019: ₹ 15,598.80 crore). Management is confident that the approval for the project shall be granted, hence no provision is considered necessary.

45. The Company is executing a hydro power project in the state of Uttrakhand, where all the clearances were accorded. A case was filed in Hon'ble Supreme Court of India after the natural disaster in Uttrakhand in June 2013 to review whether the various existing and ongoing hydro projects have contributed to environmental degradation. Hon'ble Supreme Court of India on 7 May 2014, ordered that no further construction shall be undertaken in the projects under consideration until further orders, which included the said hydro project of the Company. In the proceedings, Hon'ble Supreme Court is examining to allow few projects which have all clearances which includes the project of the Company where the work has been stopped. Aggregate cost incurred on the project up to 31 March 2020 is ₹ **163.40 crore** (31 March 2019: ₹ 163.33 crore). Management is confident that the approval for proceeding with the project shall be granted, hence no provision is considered necessary.

46. Disclosure as per Ind AS 1 'Presentation of financial statements'

a) Changes in significant accounting policies:

During the year, following changes to the accounting policies have been made:

i) Consequent to applicability of Ind AS 116-'Leases' w.e.f. 1 April 2019, the accounting policies relating to leases (C.19) have been modified.

ii) Certain other changes have also been made in the policies nos. A, B.3, B.4, C.1, C.3, C.5, C.6, C.8, C.11, C.12, C.13, C.14, C.15, C.16, C.18, C.20, C.27, D.10 and D.11 for improved disclosures. There is no impact on the financial statements due to these changes, however, the policy numbers have been rearranged in the current year as required.

b) Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been reclassified in the balance sheet and statement of cash flows, the details of which are as under:

Items of balance sheet before and after reclassification as at 31 March 2019

₹ Crore

Sl. No.	Particulars	Amount before reclassification	Reclassification	Amount after reclassification
1	Other current assets (Note 17)	15,056.70	(126.81)	14,929.89
	Borrowings - Current (Note 26)	15,502.90	(126.81)	15,376.09

Items of statement of cash flows before and after reclassification for the year ended 31 March 2019

₹ Crore

Sl. No.	Particulars	Amount before reclassification	Reclassification	Amount after reclassification
1	Cash flow from operating activities	16,030.47	126.81	16,157.28
	Cash flow from investing activities	(20,894.22)	-	(20,894.22)
	Cash flow from financing activities	4,827.65	(126.81)	4,700.84

47. The Company was hitherto charging depreciation on all solar and wind power plants following the rates and methodology notified by CERC Tariff Regulations. During the year, on review it was observed that some of the solar / wind power plants of the Company are set up under competitive bidding route and hence CERC Tariff Regulations are not applicable to such plants.

Keeping in view the above, during the year the Company has assessed the useful life of those assets through technical evaluation, for charging depreciation / amortisation of property, plant and equipment. Consequently, the depreciation / amortisation on these assets has been computed retrospectively based on change in useful lives and methodology with cumulative impact given in the current year after rectifying the useful lives and methodology. Due to the above rectification, depreciation and amortisation expenses for the year and the corresponding deferred revenue on account of government grant are lower by ₹ **322.40 crore** (including ₹ 223.18 crore for the period upto 31 March 2019) and ₹ **47.70 crore** (including ₹ 33.32 crore for the period upto 31 March 2019), respectively. Since the impact on account of above rectification is not material to the financial statements, the comparative amounts for the prior periods have not been restated.

48. Disclosure as per Ind AS 2 'Inventories'

(a) Amount of inventories consumed and recognized as expense during the year is as under:

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Fuel cost	**54,241.82**	52,493.74
Others (included in Note 38 - Other expenses)	**1,330.91**	1,198.91
Total	**55,572.73**	53,692.65

(b) Carrying amount of inventories pledged as security for borrowings as at 31 March 2020 is ₹ **10,731.86 crore** (31 March 2019: ₹ 5,138.41 crore).

49. Income taxes related disclosures

(I) Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in the statement of profit and loss

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense		
Current year	**2,493.29**	2,955.00
Taxes for earlier years	**2,660.17**	(105.88)
Pertaining to regulatory deferral account balances (A)	**1,022.31**	(1,055.13)
Total current tax expense (B)	**6,175.77**	1,793.99
Deferred tax expense		
Origination and reversal of temporary differences	**5,410.81**	2,489.55
Less: MAT credit entitlement	**1,382.32**	8,257.38
Total deferred tax expense (C)	**4,028.49**	(5,767.83)
Income tax expense (D=B+C-A)	**9,181.95**	(2,918.71)
Pertaining to regulatory deferral account balances	**1,022.31**	(1,055.13)
Total tax expense including tax on movement in regulatory deferral account balances	**10,204.26**	(3,973.84)

ii) Income tax recognised in other comprehensive income

₹ Crore

Particulars	For the year ended					
	31 March 2020			31 March 2019		
	Before tax	**Tax expense/ (benefit)**	**Net of tax**	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial losses on defined benefit plans	**(346.04)**	**(60.46)**	**(285.58)**	(235.98)	(50.85)	(185.13)
- Net gains/(losses) on fair value of equity instruments	**(41.64)**	**-**	**(41.64)**	(16.74)	-	(16.74)
	(387.68)	**(60.46)**	**(327.22)**	(252.72)	(50.85)	(201.87)

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax including movement in regulatory deferral account balances	**20,317.07**	7,776.05
Tax using the Company's domestic tax rate of 34.944 % (31 March 2019 - 34.944%)	**7,099.60**	2,717.26
Tax effect of:		
Non-deductible tax expenses	**2.61**	250.67
Tax free income	**(36.76)**	(26.76)
Deferred tax expenses / (income)	**4,028.49**	(5,767.83)
Previous year tax liability	**2,660.17**	(105.88)
Minimum alternate tax adjustments	**(3,549.85)**	(1,041.30)
Total tax expense recognized in the statement of profit and loss	**10,204.26**	(3,973.84)

(b) Tax losses carried forward

There are no unused tax losses to be carried forward as on 31 March 2020 and 31 March 2019.

(c) Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

For the year ended 31 March 2020, the Directors have recommended the payment of final dividend amounting to ₹ **2,622.06 crore** (31 March 2019: ₹ 2,473.64 crore). The dividend distribution tax on this proposed dividend amounting to ₹ **Nil** (31 March 2019: ₹ 506.62 crore) has not been recognised since the proposed dividend is subject to the approval of share holders in the ensuing annual general meeting. Further, the dividend distribution tax has been withdrawn w.e.f. 1 April 2020 pursuant to the amendment made in the Finance Act, 2020.

(II) Other disclosures

(a) In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Act, 2019, the company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The company has not opted for this option after evaluating the same and continues to recognize the taxes on income as per the earlier provisions.

(b) During the year, the GOI has introduced Vivad se Vishwas Scheme (VsVs) through 'The Direct Tax Vivad Se Vishwas Act, 2020'. The Company has decided to settle its pending Income Tax disputes by opting for the VsVs scheme. The Company has created additional tax provision amounting to ₹ 2,661.47 crore keeping in view the terms & conditions of the scheme. Accordingly, the amount being disclosed under contingent liabilities towards disputes with Income Tax Authorities together with possible reimbursements, has been considered as Nil (Refer Note 69) . Further, the company is in the process of completion of procedural formalities under the scheme and the same will be settled after reconciliation of dues with the income tax department.

(c) In the previous year, for the first time the Company recognized cumulative MAT credit entitlement available to the Company amounting to ₹ 8,257.38 crore, as the same is likely to give future economic benefits in the form of availability of set off against future income tax liability. Out of the above, an amount of ₹7,615.10 crore was recognized as payable to beneficiaries through regulatory deferral account balances.

50. Disclosure as per Ind AS 19 'Employee benefits'

(i) Defined contribution plans:

Pension

The defined contribution pension scheme of the Company for its employees which is effective from 1 January 2007, is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. An amount of ₹ **95.59 crore** (31 March 2019: ₹ 207.93 crore) for the year is recognized as expense on this account and charged to the statement of profit and loss.

(ii) Defined benefit plans:

A. Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employees pension scheme is paid to the appropriate authorities.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the provident fund plan as at balance sheet date:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit (asset)/liability - Current	**(75.05)**	(44.88)

Movement in net defined benefit (asset)/liability

₹ Crore

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/liability	
	For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening balance	**9,089.80**	8,225.71	**9,134.68**	8,281.07	**(44.88)**	(55.36)
Current service cost recognised in statement of profit and loss	**310.00**	344.37	**-**	-	**310.00**	344.37
Interest cost/(income)	**704.46**	616.93	**(704.46)**	(616.93)	**-**	-
Total	**1,014.46**	961.30	**(704.46)**	(616.93)	**310.00**	344.37
Remeasurement loss/(gain):						
Actuarial loss/(gain) arising from:						
Demographic assumptions	**0.05**	-	**-**	-	**0.05**	-
Financial assumptions	**1.24**	(0.20)	**-**	-	**1.24**	(0.20)
Experience adjustment	**42.87**	133.61	**-**	-	**42.87**	133.61
Return on plan assets excluding interest income	**-**	-	**(74.33)**	(122.93)	**(74.33)**	(122.93)
Total	**44.16**	133.41	**(74.33)**	(122.93)	**(30.17)**	10.48
Other						
Contribution by participants	**822.48**	886.20	**822.48**	886.20	**-**	-
Contribution by employer	**-**	-	**310.00**	344.37	**(310.00)**	(344.37)
Benefits paid	**1,266.84**	1,116.82	**1,266.84**	1,116.82	**-**	-
Closing balance	**9,704.06**	9,089.80	**9,779.11**	9,134.68	**(75.05)**	(44.88)

Pursuant to paragraph 57 of Ind AS 19, accounting by an entity for defined benefit plans, inter-alia, involves determining the amount of the net defined benefit liability (asset) which shall be adjusted for any effect of limiting a net defined benefit asset to the asset ceiling prescribed in paragraph 64. As per Para 64 of Ind AS 19, in case of surplus in a defined benefit plan, an entity shall measure the net defined benefit asset at the lower of actual surplus or the value of the assets ceiling determined using the discount rate. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Further, paragraph 65 provides that a net defined benefit asset may arise where a defined benefit plan has been overfunded or where actuarial gains have arisen.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ **75.05 crore** (31 March 2019: ₹ 44.88 crore) determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset, and the actuarial gains in 'Other Comprehensive Income', as these pertain to the Provident Fund Trust and not to the Company.

B. Gratuity and pension

a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act,1972, as amended.

b) The Company has pension schemes at two of its stations in respect of employees taken over from erstwhile state government power utilities.

The existing schemes stated at (a) and at one of the power stations at (b) above are funded by the Company and are managed by separate trusts. Pension scheme of another power station in respect of employees taken from erstwhile State Government Power Utility is unfunded. The liability for gratuity and the pension schemes as above is recognised on the basis of actuarial valuation.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and pension plan and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ Crore

Particulars	**As at 31 March 2020**	As at 31 March 2019
Net defined benefit (asset)/liability :		
Gratuity (funded)	**164.37**	-
Pension (funded)	**203.54**	168.72
Pension (non-funded)	**388.29**	358.68
Total	**756.20**	527.40
Break-up		
Non-current	**363.47**	335.61
Current	**392.73**	191.79

Movement in net defined benefit (asset)/liability

₹ Crore

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/liability	
	For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Opening balance	**2,542.21**	2,586.42	**2,014.81**	1,507.91	**527.40**	1,078.51
Included in profit or loss for the year:						
Current service cost	**100.40**	94.85	**-**	-	**100.40**	94.85
Past service cost	**-**	-	**-**	-	**-**	-
Interest cost (income)	**197.01**	196.57	**(148.38)**	(115.09)	**48.63**	81.48
Total amount recognised in profit or loss for the year	**297.41**	291.42	**(148.38)**	(115.09)	**149.03**	176.33
Included in other comprehensive income:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	**(1.16)**	-	**-**	-	**(1.16)**	-
Financial assumptions	**159.68**	(24.64)	**-**	-	**159.68**	(24.64)
Experience adjustment	**(22.09)**	54.53	**-**	-	**(22.09)**	54.53
Return on plan assets excluding interest income	**-**	-	**(11.89)**	(28.56)	**(11.89)**	(28.56)
Total amount recognised in other comprehensive income	**136.43**	29.89	**(11.89)**	(28.56)	**124.54**	1.33
Out of the above an amount of ₹ **4.38 crore** (31 March 2019: (-) ₹11.75 crore) has been transferred to expenditure during construction period / development of coal mines.						
Other						
Contribution by employer	**-**	-	**-**	699.29	**-**	(699.29)
Benefits paid	**343.79**	365.52	**299.02**	336.04	**44.77**	29.48
Closing balance	**2,632.26**	2,542.21	**1,876.06**	2,014.81	**756.20**	527.40

Out of the above net liability , an amount of ₹ **176.26 crore** (31 March 2019: ₹ 54.84 crore) has been adjusted with the amount recoverable from the trust.

C. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised annually on the basis of actuarial valuation. A trust has been constituted for its employees superannuated on or after 1 January 2007, for the sole purpose of providing post retirement medical facility to them.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the PRMF and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit (asset)/liability - Current (funded)	253.02	-

Movement in net defined benefit (asset)/liability ₹ Crore

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/liability	
	For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening balance	1,635.86	1,350.61	1,635.86	1,200.73	-	149.88
Included in profit or loss:						
Current service cost	42.26	40.36	-	-	42.26	40.36
Past service cost	-	-	-	-	-	-
Interest cost/(income)	126.78	102.65	(115.76)	(91.00)	11.02	11.65
Total amount recognised in profit or loss	169.04	143.01	(115.76)	(91.00)	53.28	52.01
Included in other comprehensive income:						
Remeasurement loss/(gain):						
Actuarial loss/(gain) arising from:						
Demographic assumptions	(0.98)	-	-	-	(0.98)	-
Financial assumptions	114.14	(16.19)	-	-	114.14	(16.19)
Experience adjustment	159.44	242.43	-	-	159.44	242.43
Return on plan assets excluding interest income	-	-	(40.26)	(5.56)	(40.26)	(5.56)
Total amount recognised in other comprehensive income	272.60	226.24	(40.26)	(5.56)	232.34	220.68
Out of the above an amount of ₹8.13 crore (31 March 2019:₹10.77 crore) has been transferred to expenditure during construction period / development of coal mines.						
Other						
Contribution by participants	-	-	32.60	16.02	(32.60)	(16.02)
Contribution by employer	-	-	-	406.55	-	(406.55)
Benefits paid	116.88	84.00	116.88	84.00	-	-
Closing balance	1,960.62	1,635.86	1,707.60	1,635.86	253.02	-

Out of the above net liability , an amount of ₹ **113.30 crore** (31 March 2019: ₹ 22.36 crore) has been adjusted with the amount recoverable from the trust.

D. Other retirement benefit plans

Other retirement benefit plans include baggage allowance for settlement at home town for employees and dependents and farewell gift to the superannuating employees. The scheme above is unfunded and liability for the same is recognised on the basis of actuarial valuation.

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit (asset)/liability (non-funded) :	190.12	174.76
Non-current	168.22	153.70
Current	21.90	21.06

Movement in net defined benefit (asset)/liability

₹ Crore

Particulars	Defined benefit obligation	
	As at 31 March 2020	As at 31 March 2019
Opening balance	174.76	148.93
Included in profit or loss:		
Current service cost	9.92	8.21
Past service cost	-	-
Interest cost /(income)	13.54	11.32
Total amount recognised in profit or loss	23.46	19.53
Included in other comprehensive income:		
Remeasurement loss/(gain):		
Actuarial loss/(gain) arising from:		
Demographic assumptions	(0.06)	-
Financial assumptions	11.51	(1.69)
Experience adjustment	(9.78)	14.66
Return on plan assets excluding interest income	-	-
Total amount recognised in other comprehensive income	1.67	12.97
Other		
Contributions paid by the employer	-	-
Benefits paid	9.77	6.67
Closing balance	190.12	174.76

E. Plan assets

Plan assets comprise the following :

₹ Crore

Particulars	As at 31 March 2020			As at 31 March 2019		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
State government securities	4,516.05	-	4,516.05	3,975.85	-	3,975.85
Central government securities	1,838.96	-	1,838.96	1,851.20	-	1,851.20
Corporate bonds and term deposits	4,275.18	73.73	4,348.91	4,151.54	74.20	4,225.74
Money market instruments/liquid mutual fund	0.59	-	0.59	5.92	-	5.92
Equity and equity linked investments	114.34	-	114.34	193.94	-	193.94
Investments with insurance companies	-	2,599.46	2,599.46	-	2,377.88	2,377.88
Total (excluding accrued interest)	10,745.12	2,673.19	13,418.31	10,178.45	2,452.08	12,630.53

As at 31 March 2020, an amount of ₹ **280.00 crore** (31 March 2019: ₹ 350.00 crore) is included in the value of plan assets (in respect of the reporting enterprise's own financial instruments (Corporate bonds).

Actual return on plan assets is ₹ **1,095.10 crore** (31 March 2019: ₹ 980.08 crore).

F. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.75%	7.75%
Expected return on plan assets		
Gratuity	6.75%	7.75%
Pension	6.75%	7.75%
PRMF	6.75%	7.75%
Annual increase in costs	6.50%	6.50%
Salary escalation rate	6.50%	6.50%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

ii. 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 obligation by the amounts shown below.

₹ Crore

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(156.74)	167.38	(135.01)	144.47
Annual increase in costs (0.5% movement)	72.75	(68.58)	61.27	(57.70)
Salary escalation rate (0.5% movement)	96.57	(91.08)	85.67	(80.84)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

G. Risk exposure

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

a) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

b) Changes in discount rate

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets holdings.

c) Inflation risks

In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

d) Life expectancy

The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consist of government and corporate bonds. The plan asset mix is in compliance with the requirements of the respective local regulations.

H. Expected maturity analysis of the defined benefit plans in future years

₹ Crore

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2020					
Gratuity and pension	**288.21**	**266.40**	**677.77**	**1,399.88**	**2,632.26**
Post-retirement medical facility (PRMF)	**115.97**	**143.31**	**512.21**	**1,189.13**	**1,960.62**
Provident fund	**1,132.40**	**955.20**	**2,660.28**	**4,956.18**	**9,704.06**
Other post-employment benefit plans	**21.90**	**20.28**	**53.77**	**94.17**	**190.12**
Total	**1,558.48**	**1,385.19**	**3,904.03**	**7,639.36**	**14,487.06**
31 March 2019					
Gratuity and pension	307.22	348.51	623.57	1,262.91	2,542.21
Post-retirement medical facility (PRMF)	97.87	96.11	261.54	1,180.34	1,635.86
Provident fund	998.65	884.70	2,421.18	4,785.27	9,089.80
Other post-employment benefit plans	21.06	18.58	51.13	83.99	174.76
Total	1,424.80	1,347.90	3,357.42	7,312.51	13,442.63

Expected contributions to post-employment benefit plans for the year ending 31 March 2021 are ₹ **526.54 crore.**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is **15.19 years** (31 March 2019: 15.17 years).

(iii) Other long term employee benefit plans

A. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. During the year, provision amounting to ₹ **235.44 crore** has been made on the basis of actuarial valuation at the year end and debited to statement of profit and loss (31 March 2019: ₹ 137.17 crore).

B. Other employee benefits

Provision for long service award and family economic rehabilitation scheme amounting to ₹ **10.74 crore** (31 March 2019: ₹ 7.38 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

51. Disclosure as per Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'

The amount of exchange differences (net) debited to the statement of profit and loss, net of movement in regulatory deferral account balances, is ₹ **21.91 crore** (31 March 2019: credited to Statement of profit and loss ₹ 20.59 crore).

52. Disclosure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ **4,410.28 crore** (31 March 2019: ₹ 4,700.02 crore).

53. Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of related parties:

i) Subsidiary companies:

1. Bhartiya Rail Bijlee Company Ltd.
2. Kanti Bijlee Utpadan Nigam Ltd.
3. NTPC Vidyut Vyapar Nigam Ltd.
4. NTPC Electric Supply Company Ltd.
5. Patratu Vidyut Utpadan Nigam Ltd.
6. Nabinagar Power Generating Company Ltd. (Joint venture company upto 29 June 2018)
7. NTPC Mining Ltd. (w.e.f. 29 August 2019)
8. THDC India Ltd. (w.e.f. 27 March 2020)
9. North Eastern Electric Power Corporation Ltd. (w.e.f. 27 March 2020)

ii) Joint ventures companies:

1. Utility Powertech Ltd.
2. NTPC-GE Power Services Private Ltd.
3. NTPC-SAIL Power Company Ltd.
4. NTPC Tamil Nadu Energy Company Ltd.
5. Ratnagiri Gas & Power Private Ltd.
6. Aravali Power Company Private Ltd.
7. NTPC BHEL Power Projects Private Ltd.
8. Meja Urja Nigam Private Ltd.
9. Transformers and Electricals Kerala Ltd.
10. National High Power Test Laboratory Private Ltd.
11. Energy Efficiency Services Ltd.
12. CIL NTPC Urja Private Ltd.
13. Anushakti Vidhyut Nigam Ltd.
14. Hindustan Urvarak & Rasayan Ltd.
15. Konkan LNG Ltd. (previously Konkan LNG Private Ltd.)
16. Trincomalee Power Company Ltd.
17. Bangladesh-India Friendship Power Company Private Ltd.

Joint venture company of NEEPCO, a Subsidiary of the Company

1. KSK Dibbin Hydro Power Private Ltd

iii) Key Management Personnel (KMP):

Whole Time Directors

Mr. Gurdeep Singh	Chairman and Managing Director	
Mr. A.K.Gupta	Director (Commercial)	
Mr. Prakash Tiwari	Director (Operations)	
Mr. A.K.Gautam[1]	Director (Finance)	W.e.f. 18 October 2019
Mr. Saptarshi Roy	Director (Human Resources)	Upto 31 March 2020
Mr. S.K.Roy	Director (Projects)	Upto 30 November 2019
Mr. P.K.Mohapatra	Director (Technical)	Upto 31 July 2019

Mr. K.Sreekant[2]	Director (Finance)	W.e.f. 29 March 2018 to 2 November 2018 and W.e.f. 12 February 2019 to 12 August 2019
Independent Directors		
Dr. Gauri Trivedi	Non-executive Director	Upto 15 November 2019
Mr. Seethapathy Chander	Non-executive Director	Upto 12 June 2019
Mr. M.P.Singh	Non-executive Director	
Mr. Pradeep Kumar Deb	Non-executive Director	
Mr. Shashi Shekhar	Non-executive Director	
Mr. Subhash Joshi	Non-executive Director	
Mr. Vinod Kumar	Non-executive Director	
Dr. K.P.K.Pillay	Non-executive Director	W.e.f. 30 July 2018
Dr. Bhim Singh	Non-executive Director	W.e.f. 30 July 2018
Government Nominee Directors		
Mr. Vivek Kumar Dewangan	Non-executive Director	W.e.f. 28 April 2018
Mr. Ashish Upadhyaya	Non-executive Director	W.e.f. 22 January 2020
Ms. Archana Agarwal	Non-executive Director	W.e.f. 7 August 2018 upto 22 April 2019
Mr. Aniruddha Kumar	Non-executive Director	Upto 30 July 2018
Chief Financial Officer and Company Secretary		
Mr. Sudhir Arya	Chief Financial Officer	Upto 30 July 2019
Ms. Nandini Sarkar	Company Secretary	W.e.f. 1 August 2018
Mr. K.P.Gupta	Company Secretary	Upto 31 July 2018

1. Chief Financial Officer w.e.f. 1 August 2019
2. Holding additional charge, in addition to Director (Finance), Power Grid Corporation of India Ltd.

iv) Post employment benefit plans:

1. NTPC Limited Employees Provident Fund
2. NTPC Employees Gratuity Fund
3. NTPC Post Retirement Employees Medical Benefit Fund
4. NTPC Limited Defined Contribution Pension Trust

v) Entities under the control of the same government:

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (Note 19). Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Coal India Ltd., Singareni Coalfields Ltd., GAIL (India) Ltd., BHEL Ltd., SAIL Ltd., Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd.

vi) Others:

1. NTPC Education and Research Society
2. NTPC Foundation

b) **Transactions with the related parties are as follows:**

₹ Crore

Particulars	Subsidiary Companies		Joint venture Companies	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
i) Sales/purchase of goods and services				
- Contracts for works/services for services received by the Company	-	-	1,286.34	1,381.41
- Contracts for works/services for services provided by the company	45.41	43.34	41.55	37.33
- Sale/purchase of goods	2,134.29	1,795.27	38.77	92.47
ii) Sales/purchase of assets	0.50	4.30	3.26	14.34
iii) Deputation of employees	125.66	62.06	223.34	199.87
iv) Dividend received	-	20.00	205.60	99.39
v) Equity contributions made	846.90	698.69	970.57	222.69
vi) Loans granted	143.00	30.00	12.40	-
vii) Interest on loan	24.18	24.30	0.79	0.60
viii) Guarantees received	-	-	18.01	13.99

Note: Refer Note 69 C(b) and (c) for other commitments with subsidiary and joint venture companies

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Transactions with post employment benefit plans		
- Contributions made during the year	824.28	852.01
Compensation to Key management personnel		
- Short term employee benefits	5.07	7.93
- Post employment benefits	0.13	0.15
- Other long term benefits	0.27	0.33
- Termination benefits	1.51	0.35
- Sitting fee	0.73	0.73
Total compensation to key management personnel	7.71	9.49

Transactions with the related parties under the control of the same government:

₹ Crore

Sl. No.	Name of the Company	Nature of transaction by the Company	For the year ended 31 March 2020	For the year ended 31 March 2019
1	Bharat Coking Coal Ltd.	Purchase of coal	1,830.89	1,248.12
2	Central Coalfields Ltd.		4,331.63	2,906.89
3	Eastern Coalfields Ltd.		9,545.38	7,979.87
4	Mahanadi Coalfields Ltd.		4,691.21	4,464.44
5	Northern Coalfields Ltd.		9,895.57	9,429.26
6	South Eastern Coalfields Ltd.		4,903.98	5,328.59
7	Western Coalfields Ltd.		1,035.50	572.32
8	Coal India Ltd.		33.96	288.81
9	Singareni Collieries Company Ltd.		5,855.21	6,854.74
10	Bharat Heavy Electricals Ltd.	Purchase of equipment and erection services	1,004.40	2,245.50
		Purchase of spares	482.12	565.69
		Receipt of maintenance services	1,102.75	1,048.25

₹ Crore

Sl. No.	Name of the Company	Nature of transaction by the Company	For the year ended 31 March 2020	For the year ended 31 March 2019
11	GAIL (India) Ltd.	Purchase of natural gas	**2,226.82**	2,304.37
12	Indian Oil Corporation Ltd.	Purchase of oil products	**1,058.86**	683.17
13	Bharat Petroleum Corporation Ltd.	Purchase of natural gas and oil products	**260.67**	203.36
14	Steel Authority of India Ltd.	Purchase of steel and iron products	**237.15**	202.21
15	REC Ltd.	Consultancy services provided by the Company	**40.29**	0.69
16	RITES Ltd	Receipt of maintenance services	**631.91**	1,085.81
17	Other entities	Purchase of equipments and erection services	**365.55**	209.94
		Purchase of spares	**35.02**	31.25
		Receipt of maintenance services	**273.89**	345.30
		Consultancy and other services provided by the Company	**52.87**	42.39

₹ Crore

Transactions with others listed at (a)(vi) above	For the year ended 31 March 2020	For the year ended 31 March 2019
- Contracts for works/services for services received by the Company	**60.88**	12.43

c) **Outstanding balances with related parties are as follows:**

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Amount recoverable towards loans from		
- Subsidiary companies	**193.00**	177.50
- Joint venture companies	**19.09**	6.00
- Key management personnel	**0.03**	0.12
- Others	**0.60**	0.60
Amount recoverable other than loans from		
- Subsidiary companies	**579.59**	436.84
- Joint venture companies	**109.33**	99.70
- Post employment benefit plans	**37.42**	77.20
- Others	**0.42**	0.14
Amount payable to		
- Joint venture companies	**382.28**	409.57
- Post employment benefit plans	**230.54**	132.18

d) **Individually significant transactions**

₹ Crore

Particulars	Nature of relationship	For the year ended 31 March 2020	For the year ended 31 March 2019
Contracts for works/services for services received by the Company			
Utility Powertech Ltd.	Joint Venture Company	**1,099.16**	1,006.00
NTPC BHEL Power Projects Private Ltd.	Joint Venture Company	**99.28**	137.34
NTPC-GE Power Services Private Ltd.	Joint Venture Company	**79.35**	223.51
Contracts for works/services for services provided by the Company			
Patratu Vidyut Utpadan Nigam Ltd.	Subsidiary Company	**20.82**	26.26
NTPC Vidyut Vyapar Nigam Ltd.	Subsidiary Company	**10.86**	4.57
Nabinagar Power Generating Company Ltd.	Subsidiary Company	**8.69**	6.46
NTPC SAIL Power Company Ltd	Joint Venture Company	**14.18**	11.10
Meja Urja Nigam Private Limited	Joint Venture Company	**12.05**	13.10
Sale of goods			
NTPC Vidyut Vyapar Nigam Ltd.	Subsidiary Company	**1,873.19**	1,795.27
Nabinagar Power Generating Company Ltd.	Subsidiary Company	**260.20**	-
Purchase of goods			
Energy Efficiency Services Ltd.	Joint Venture Company	**38.01**	41.68
Dividend received			
NTPC-SAIL Power Company Ltd.	Joint Venture Company	**50.00**	20.00
Aravali Power Company Private Ltd.	Joint Venture Company	**146.83**	71.65
NTPC Vidyut Vyapar Nigam Ltd.	Subsidiary Company	**-**	20.00
Energy Efficiency Services Ltd.	Joint Venture Company	**4.47**	4.01
Utility Powertech Ltd.	Joint Venture Company	**4.00**	3.50
NTPC-GE Power Services Private Ltd.	Joint Venture Company	**0.30**	0.23
Equity contributions made			
Bhartiya Rail Bijlee Company Ltd.	Subsidiary Company	**53.00**	121.59
Kanti Bijlee Utpadan Nigam Ltd.	Subsidiary Company	**100.00**	75.00
Patratu Vidyut Utpadan Nigam Ltd.	Subsidiary Company	**264.00**	110.00
Nabinagar Power Generating Company Ltd.	Subsidiary Company	**429.85**	392.10
Meja Urja Nigam Private Ltd.	Joint Venture Company	**262.31**	110.00
Energy Efficiency Services Ltd.	Joint Venture Company	**218.11**	-
NTPC Mining Ltd	Subsidiary Company	**0.05**	-
Bangladesh-India Friendship Power Company Pvt.Ltd.	Joint Venture Company	**166.89**	-
NTPC Tamil Nadu Energy Company Ltd.	Joint Venture Company	**12.50**	5.62
Hindustan Urvarak & Rasayan Ltd.	Joint Venture Company	**310.76**	107.07
Loans granted			
Kanti Bijlee Utpadan Nigam Ltd.	Subsidiary Company	**83.00**	30.00
NTPC Vidyut Vyapar Nigam Ltd.	Subsidiary Company	**60.00**	-
National High Power Test Laboratory Private Ltd.	Joint Venture Company	**12.40**	-
Guarantees received			
Utility Powertech Ltd.	Joint Venture Company	**17.80**	13.60
NTPC-GE Power Services Private Ltd.	Joint Venture Company	**0.21**	0.39

e) Terms and conditions of transactions with the related parties

i) Transactions with the related parties are made on normal commercial terms and conditions and at arm length price.

ii) The Company is assigning jobs on contract basis, for sundry works in plants/stations/offices to M/s Utility Powertech Ltd. (UPL), a 50:50 joint venture between the Company and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipment of power stations. The Company has entered into Power Station Maintenance Agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

iii) The Company is seconding its personnel to subsidiary and joint venture companies as per the terms and conditions agreed between the companies, which are similar to those applicable for secondment of employees to other companies and institutions. The cost incurred by the Company towards superannuation and employee benefits are recovered from these companies.

iv) Loans granted to subsidiaries and joint venture companies are detailed below:

Sl. No.	Name of the subsidiary (S)/ joint venture (JV) company	Loan granted (Amount in ₹ crore)	Rate of interest (p.a.)	Repayment schedule	Purpose	Year of grant of loan
1	Kanti Bijlee Utpadan Nigam Ltd. (S)	**121.00**	10% (quarterly rest)	The loan has been fully repaid / adjusted during the year.	To facilitate progress of ongoing expansion and meeting debt service requirements.	2016-17
		193.00	10% (quarterly rest)	Repayable in six equal semi-annual installments from 30 September 2020.	To sustain ongoing operation activities and meet debt servicing requirements.	2017-18
		150.00	10% (quarterly rest)	Repayable in six equal quarterly installments from 31 December 2021. Loan not yet drawn till 31 March 2020.	For loan repayment, interest payment and to discharge statutory obligations.	2019-20
2	Patratu Vidyut Utpadan Nigam Ltd. (S)	**50.00**	10% (quarterly rest)	The loan has been fully repaid / adjusted during the year.	To sustain ongoing O&M and R&M activities.	2016-17
3	National High Power Test Laboratory Private Ltd. (JV)	**18.40**	10% (quarterly rest)	Principal and interest repayable in twenty semi-annual installments from 30 September 2022 .	For repayment of loans / contractual obligations	2019-20
4	NTPC Vidyut Vypar Nigam Ltd. (S)	**90.00**	10 % (quarterly rest)	Out of the loan granted, an amount of ₹ 60.00 Crore was paid which has been fully repaid / adjusted during the year.	For meeting short term working capital requirement	2019-20

v) Consultancy services provided by the Company to subsidiary and joint venture companies are generally on nomination basis at the terms, conditions and principles applicable for consultancy services provided to other parties.

vi) Outstanding balances of subsidiary and joint venture companies at the year-end are unsecured and settlement occurs through banking transaction. These balances other than loans are interest free. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

vii) Refer Note 56 (b) & (c) in respect of impairment loss on investment in Ratnagiri Gas & Power Private Ltd.and certain other joint venture companies.

viii) Refer Note 69 (C) towards restrictions on disposal of investment and commitment towards further investments in the subsidiary and joint venture companies.

54. Disclosure as per Ind AS 27 'Separate financial statements'

a) Investment in subsidiary companies:*

Company name	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2020	As at 31 March 2019
NTPC Electric Supply Company Ltd.	India	**100.00**	100.00
NTPC Vidyut Vyapar Nigam Ltd.	India	**100.00**	100.00
Kanti Bijlee Utpadan Nigam Ltd.	India	**100.00**	100.00
Bhartiya Rail Bijlee Company Ltd.	India	**74.00**	74.00
Patratu Vidyut Utpadan Nigam Ltd.	India	**74.00**	74.00
Nabinagar Power Generating Company Ltd.	India	**100.00**	100.00
NTPC Mining Ltd.	India	**100.00**	-
THDC India Ltd.	India	**74.496**	-
North Eastern Electric Power Corporation Ltd.	India	**100.00**	-

b) Investment in joint venture companies:*

Company name	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2020	As at 31 March 2019
Utility Powertech Ltd.	India	**50.00**	50.00
NTPC-GE Power Services Private Ltd.	India	**50.00**	50.00
NTPC-SAIL Power Company Ltd.	India	**50.00**	50.00
NTPC Tamil Nadu Energy Company Ltd.	India	**50.00**	50.00
Ratnagiri Gas & Power Private Ltd.	India	**25.51**	25.51
Konkan LNG Ltd. (formerly Konkan LNG Private Ltd.)	India	**14.82**	14.82
Aravali Power Company Private Ltd.	India	**50.00**	50.00
NTPC BHEL Power Projects Private Ltd.	India	**50.00**	50.00
Meja Urja Nigam Private Ltd.	India	**50.00**	50.00
Transformers and Electricals Kerala Ltd.	India	**44.60**	44.60
National High Power Test Laboratory Private Ltd.	India	**20.00**	20.00
Energy Efficiency Services Ltd.	India	**47.15**	36.36
CIL NTPC Urja Private Ltd.	India	**50.00**	50.00
Anushakti Vidhyut Nigam Ltd.	India	**49.00**	49.00
Hindustan Urvarak and Rasayan Ltd.	India	**29.67**	29.67
Trincomalee Power Company Ltd.	Srilanka	**50.00**	50.00
Bangladesh-India Friendship Power Company Private Ltd.	Bangladesh	**50.00**	50.00

* Equity investments in subsidiary and joint venture companies are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

55. Disclosure as per Ind AS 33 'Earnings per share'

(i) Basic and diluted earnings per share (in ₹)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
From operations including movement in regulatory deferral account balances (a) **[A/D]**	**10.22**	11.88
From regulatory deferral account balances (b) **[B/D]**	**4.88**	(3.88)
From operations excluding movement in regulatory deferral account balances (a)-(b) **[C/D]**	**5.34**	15.76
Nominal value per share	**10.00**	10.00

(ii) Profit attributable to equity shareholders (used as numerator) (₹ Crore)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
From operations including movement in regulatory deferral account balances (a) **[A]**	**10,112.81**	11,749.89
From regulatory deferral account balances (b) **[B]**	**4,828.84**	(3,841.34)
From operations excluding movement in regulatory deferral account balances (a)-(b) **[C]**	**5,283.97**	15,591.23

(iii) Weighted average number of equity shares (used as denominator) (Nos.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance of issued equity shares	**9,89,45,57,280**	8,24,54,64,400
Bonus equity shares issued during financial year 2018-19*	-	1,64,90,92,880
Weighted average number of equity shares for Basic and Diluted EPS **[D]**	**9,89,45,57,280**	9,89,45,57,280

*The Company had issued 1,64,90,92,880 equity shares of ₹ 10/- each as fully paid bonus shares during the financial year 2018-19 in the ratio of one equity share of ₹ 10/- each for every five equity shares held.

56. Disclosure as per Ind AS 36 'Impairment of Assets'

As required by Ind AS 36, an assessment of impairment of assets was carried out and based on such assessment, the Company has accounted impairment losses as under:

a) For the Company, the recoverable amount of the property, plant and equipment & intangible assets of the Cash Generating Units (CGU) is value in use and amounts to ₹ **2,39,455.07 crore** (31 March 2019: ₹ 1,64,752.24 crore). The discount rate used for the computation of value in use for the generating plant is **8.00 %** (31 March 2019: 9.33%) and for solar plant is **7.78 %** (31 March 2019: 8.49%).

b) The Company has investments in M/s Ratnagiri Gas & Power Pvt. Ltd. (RGPPL), a joint venture of the Company. RGPPL had incurred losses during last few years which has resulted in erosion of net worth of RGPPL. Also, value of RGPPL's assets had declined significantly more than would be expected as a result of the passage of time or normal use. Further, Power Block (CGU) of RGPPL is not operating at its installed capacity from last many years. The recoverable amount of this investment was assessed at ₹ 59.53 crore and accordingly the Company had provision for impairment of ₹ 775.02 crore in respect of such investment as at 31 March 2019. During the year, the assessment of impairment of its investment in RGPPL has been carried out by an independent expert, impact of which is explained below:

Recoverable amount is based on the value in use as its fair value less cost of disposals cannot be estimated.

Recoverable amount of investment in RGPPL has been assessed at ₹ 18.06 crore and is based on the present value of future cash flows expected to be derived from gas based power plant of RGPPL till 31 March 2039. The period is based on the estimated useful life of the power plant. Decrease in recoverable amount of investment in RGPPL is due to decrease in the value in use as compared to the previous year. This has led to addition in provision for impairment by ₹ **41.47 crore** in the current year (31 March 2019: impairment provision of ₹ 157.97 crore).

Following are the key assumptions used to determine the recoverable amount of investment:

- Capacity : 1,967 MW (31 March 2019: 1,967 MW)
- Auxiliary consumption : 2.00% (31 March 2019: 2.50%)
- Plant Load Factor (PLF) : 25.40% (31 March 2019: 25.40%)
- Tariff : INR 5.5/kwh (31 March 2019: INR 5.5/kwh) (gross of transmission charges and losses)

No growth rates have been assumed and the past experience have been considered for future cash flows which are expected to be derived.

The post-tax discount rate used for the future cash flows is 11.50% (31 March 2019: 11.20%).

Also refer Note 6 (f) in this regard.

c) The Company has investments of ₹ 139.75 crore in Konkan LNG Ltd. (KLL) (formerly Konkan LNG Private Ltd.), a joint venture of the Company. KLL had incurred losses during last few years which has resulted in erosion of net worth of KLL. Also, value of KLL's assets had declined significantly more than would be expected as a result of the passage of time or normal use. The recoverable amount of this investment was assessed at ₹ Nil and accordingly the Company had provision for impairment of ₹ 139.75 crore in respect of such investment as at 31 March 2019. During the year, the assessment of impairment of its investment in KLL has been carried out by an independent expert, impact of which is explained below:

Recoverable amount is based on the value in use as its fair value less cost of disposals cannot be estimated.

Recoverable amount of investment in KLL has been assessed at ₹ 36.28 crore and is based on the present value of future cash flows expected to be derived from the LNG terminal of KLL till 31 March 2037. The period is based on the estimated contract life of 25 years This has led to reduction in provision for impairment to the extent of ₹ 36.28 crore. As such provision for impairment of investments in KLL has been updated to ₹ **103.47 crore** as at 31 March 2020 (31 March 2019: ₹ 139.75 crore).

Following are the key assumptions used to determine the recoverable amount of investment:

- Breakwater work is expected to be completed by 2023.

-Currently, the LNG Terminal has total cargo capacity of 30 ships per year which is expected to increase to 80 ships per year from FY 2024 i.e., after the completion of breakwater facility in FY 2023.

-Capacity Utilization has been considered as 80% (i.e. 24 cargoes) by FY 2023 and thereafter, after commissioning of new facility, an approximation of 55% (i.e. 44 cargoes) capacity utilization which will increase up to 70% (i.e. 56 cargoes) capacity utilization by FY 2029 & years onwards throughout the remaining life of the Project.

-The post-tax discount rate used for the future cash flows is 11.30%.

No impairment assessment of investment in KLL was carried out as at 31 March 2019.

Also refer Note 6 (g) in this regard.

d) In respect of investment in NTPC BHEL Power Project Pvt.Ltd. , provision for impairment on investments has been recognised at ₹ **50.00 crore** (31 March 2019: ₹ 50.00 crore). Also refer Note 6 d).

57. Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

Movements in provisions:

₹ Crore

Particulars	Provision for obligations incidental to land acquisition		Provision for tariff adjustment		Others		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Carrying amount at the beginning of the year	**3,499.74**	3,465.00	**98.77**	330.10	**1,996.93**	1,357.08	**5,595.44**	5,152.18
Additions during the year	**494.97**	746.65	**91.91**	45.36	**205.63**	603.40	**792.51**	1,395.41
Amounts used during the year	**(488.47)**	(445.51)	**-**	-	**(210.28)**	(1.94)	**(698.75)**	(447.45)
Reversal/adjustments during the year	**(0.23)**	(266.40)	**-**	(276.69)	**(382.01)**	38.39	**(382.24)**	(504.70)
Carrying amount at the end of the year	**3,506.01**	3,499.74	**190.68**	98.77	**1,610.27**	1,996.93	**5,306.96**	5,595.44

i) **Provision for obligations incidental to land acquisition**

Provision for obligations incidental to land acquisition includes expenditure on rehabilitation & resettlement (R&R) including the amounts payable to the project affected persons (PAPs) towards land, expenditure for providing community facilities and expenditure in connection with environmental aspects of the project. The Company has estimated the provision based on the Rehabilitation Action Plan (RAP) approved by the board/competent authority or agreements/directions/ demand letters of the local/government authorities. The outflow of said provision is expected to be incurred immediately on fulfilment of conditions by the land oustees/receipts of directions of the local/government authorities.

ii) **Provision for tariff adjustment**

Billing upto 31 March 2019 was done based on tariff orders issued under Regulation 2014 except few stations where billing is done on provisional basis due to non-receipt of tariff orders. In such cases, accounting is done based on trued up cash expenditure as per Regulation 2014. Provision for tariff adjustment of ₹ **91.91 crore** (31 March 2019: ₹45.36 crore) is mainly towards the estimated interest payable to beneficiaries at the time of issue of tariff orders. Further, consequent to the dismissal of the Company's appeal against the said CERC order by the Hon'ble Supreme Court of India, provision for tariff adjustments of ₹ **Nil** (31 March 2019: ₹ 276.69 crore) was adjusted by corresponding adjustment in revenue from operations.

iii) **Provision - Others**

(a) Provision for others comprise ₹ **101.05 crore** (31 March 2019: ₹ 85.14 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2 [Refer Note 59 (b)], ₹ **1,506.83 crore** (31 March 2019: ₹ 1,908.43 crore) towards provision for cases under litigation and ₹ **2.39 crore** (31 March 2019: ₹ 3.36 crore) towards provision for shortage in property, plant and equipment on physical verification pending investigation.

(b) The Company had entered into an agreement for movement of coal through inland waterways for one of its stations. As per the agreement, the operator was to design, finance, build, operate and maintain the unloading and material handling infrastructure for 7 years after which it was to be transferred to the Company at 1/-. After commencement of the operations, the operator had raised several disputes, invoked arbitration and raised substantial claims on the Company. Based on the interim arbitral award and subsequent directions of the Hon'ble Supreme Court of India, an amount of ₹ 356.31 crore was paid upto 31 March 2019. In the previous year, the Arbitral Tribunal had awarded a claim of ₹ 1,891.09 crore plus applicable interest in favour of the operator. The Company aggrieved by the arbitral award and considering legal opinion obtained, had filed an appeal before the Hon'ble High Court of Delhi (Hon'ble High Court) against the said arbitral award in its entirety. Considering the provisions of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', Significant Accounting Policies of the Company and the principle of conservatism, an amount of ₹ 394.07 crore was estimated and provided for as at 31 March 2019 and balance amount of ₹ 1,875.73 crore was disclosed as contingent liability, along with applicable interest.

During the year, against the appeal of the Company, Hon'ble High Court vide its order dated 23 September 2019 held that subject to deposit of ₹ 500 crore by the Company with the Registrar General of the Court within six weeks, execution of the impugned award shall remain stayed till the next date of hearing and upon handing over the entire infrastructure in terms of the contract by the operator to the Company, the Registrar General shall release the amount to the operator against a bank guarantee. The said amount was deposited with the Hon'ble High Court on 5 November 2019. Hon'ble High Court vide its order dated 8 January 2020 directed the parties to commence formal handing over of the infrastructure in the presence of appointed Local Commissioner and also, directed release of ₹ 500 crore to the operator by the Registrar General subject to the outcome of this application of the Company for formal handing over of the infrastructure. On 17 January 2020, unconditional BG was submitted by the operator to Registrar General and ₹500 crore was released to operator by the Hon'ble High Court. Further,₹ 356.31 crore paid to operator has been booked to fuel cost and the corresponding provision has been reversed during the current year.

As per orders of Hon'ble High Court, formal handing over of the infrastructure has started on 20 January 2020 at the project site. However, due to certain law and order issues initially and further due to COVID-19 pandemic, Local Commissioner's visit has been deferred.The handing over of the infrastructure facility has not yet completed.

Pending final disposal of the appeal by the Hon'ble High Court, considering the provisions of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' and Significant Accounting Policies of the Company, provision has been updated by interest to ₹ **37.92 crore** as at 31 March 2020 (31 March 2019 : ₹ 394.07 crore) and the balance amount of ₹ **2,014.84 crore** (31 March 2019: ₹ 1,875.73 crore) has been disclosed as contingent liability.

Also Refer Note 66 and 69.

iv) In respect of provision for cases under litigation, outflow of econmic benefits is dependent upon the final outcome of such cases.

v) In all these cases, outflow of economic benefits is expected within next one year.

vi) **Sensitivity of estimates on provisions:**

The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of changes in assumptions and estimates used in recognizing these provisions.

vii) **Contingent liabilities and contingent assets**

Disclosure with respect to claims against the Company not acknowledged as debts and contingent assets are made in Note 69.

58. Disclosure as per Ind AS 38 'Intangible Assets'

Research expenditure charged to revenue during the year is ₹ **134.36 crore** (31 March 2019: ₹ 51.42 crore).

59. Disclosure as per Ind AS 106, 'Exploration for and Evaluation of Mineral Resources'

a) The Company along-with some public sector undertakings had entered into Production Sharing Contracts (PSCs) with GOI for three oil exploration blocks namely KG-OSN-2009/1, KG-OSN-2009/4 and AN-DWN-2009/13 under VIII round of New Exploration Licensing Policy (NELP VIII) with 10% participating interest (PI) in each of the blocks.

In the case of Block AN-DWN-2009/13 and KG-OSN-2009/1, Oil and Natural Gas Corporation Ltd. (ONGC) was the operator and the Company along-with the consortium partners have relinquished both the blocks to Directorate General of Hydrocarbons (DGH).

Based on the un-audited statement of the accounts for the above blocks forwarded by ONGC, the operator, the Company's share in the assets and liabilities and expenses is as under:

₹ Crore

Particulars	As at 31 March 2020 (Unaudited)	As at 31 March 2019 (Unaudited)
Assets	**0.01**	0.01
Liabilities	**0.49**	0.49
Capital commitments [Unfinished Minimum Work Programme (MWP)]	**-**	-

₹ Crore

Particulars	For the year ended 31 March 2020 (Unaudited)	For the year ended 31 March 2019 (Unaudited)
Expenses	**-**	0.43

For the year ended 31 March 2020 and 31 March 2019, there are no income and operating/investing cash flow from exploration activities.

The exploration activities in block KG-OSN-2009/4 were suspended w.e.f. 11 January 2012 due to non-clearance by the Ministry of Defence, GOI. Subsequently, DGH vide letter dated 29 April 2013 has informed ONGC that the block is cleared conditionally wherein block area is segregated between No Go zone, High-risk zone and Permitted zone. As the permitted area is only 38% of the total block area the consortium has submitted proposal to DGH for downward revision of MWP of initial exploration period. DGH has agreed for drilling of one well and have instructed to carry out airborne Full Tensor Gravity Gradiometer (FTG) survey in conditionally & partial cleared area in lieu of MoD proportionate reduced 317 Sq. Km. 3D survey, 589 LKM of 2D survey and drilling of 2 wells.

ONGC has completed drilling of one well. Airborne Full Tensor Gravity Gradiometer (FTG) survey work is also completed. The Company along-with the consortium partners has decided to relinquish the block and Oil and Natural Gas Corporation Ltd. (ONGC), the operator, has submitted an application to Directorate General of Hydrocarbons (DGH) in this regard.

b) Exploration activities in the block AA-ONN-2003/2 were abandoned in January 2011 due to unforeseen geological conditions and withdrawal of the operator. Attempts to reconstitute the consortium to accomplish the residual exploratory activities did not yield result. In the meanwhile, Ministry of Petroleum & Natural Gas, GoI demanded in January 2011 the cost of unfinished minimum work programme from the consortium with NTPC's share being USD 7.516 million. During the year, provision in this respect has been updated to ₹ 101.04 crore from ₹ 85.14 crore along-with interest. The Company has sought waiver of the claim citing force majeure conditions at site leading to discontinuation of exploratory activities.

The Company has accounted for expenditure of ₹ **16.03 crore** (31 March 2019: ₹ 12.10 crore) towards updation of liabilities relating to MWP and other liabilities of M/s Geopetrol International, the operator to complete the winding up activities of the Block. The Company's share in the assets and liabilities are as under:

₹ Crore

Particulars	As at 31 March 2020 (Unaudited)	As at 31 March 2019 (Unaudited)
Assets	**9.19**	9.19
Liabilities (including unfinished MWP)	**103.32**	87.29

Provision of ₹ **8.26 crore** as at 31 March 2020 (31 March 2019: ₹ 8.26 crore) has been made towards the assets under exploration and estimated obsolescence in the inventory.

For the year ended 31 March 2020 and 31 March 2019, there are no income and operating/investing cash flow from exploration activities. The value of assets reported above is based on statement received from the operator in the earlier years.

c) The Company had entered into production sharing contracts (PSC) with GOI for exploration block namely CB-ONN-2009/5 VIII round of New Exploration Licensing Policy (NELP VIII) with 100% participating interest (PI) in the block.

MWP for the block has been completed. No oil or gas of commercial value was observed in any of the wells. Accordingly, the block has been relinquished to DGH, GOI.

Company's share in assets and liabilities and expenses is as under:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Assets	6.11	6.13
Liabilities	0.25	0.27

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Expenses	0.01	0.39
Operating cash flows from exploration activities	-	0.40

Provision of ₹ **6.07 crore** as at 31 March 2020 (31 March 2019 : ₹ 6.07 crore) has been made towards estimated obsolescence in the inventory.

For the year ended 31 March 2020 and 31 March 2019, there are no income and investing cash flow from exploration activities.

d i) Coal production commenced from Pakri-Barwadih coal block (PB), during FY 19-20, about 9.42 MMT coal have been extracted from PB mine. Exploration and evaluation activities are taking place at under ground mine area/dip side area of PB block. At Dulanga and Talaipalli coal mine extraction has already started and at Chatti-Bariatu and Kerandari coal mining projects land acquisition and other mine development activities are in progress. these mines are also disclosed in Note 3 - Capital work in progress under 'Development of coal mines'.

ii) Exploration and evaluation activities are in progress at Banai, Bhalumuda and Mandakini - B coal blocks allotted by the GOI. As advised by MoC, separate mining plans for Banai and Bhalamuda blocks are under preparation by CMPDIL. In respect of Mandakini-B coal block, Mining Plan approved by MoC and Feasibility Report has been prepared by CMPDIL. Mining infrastructure development activities are in progress. Section-7 (CBA Act) notification has been issued by MoC.

iii) In the previous year, the Company took over Barauni Thermal Power Station from Bihar State Power Generation Company Limited (BSPGCL). Ministry of Coal, Government of India has transferred Badam coal mine, the linked coal mine of Barauni TPS, to NTPC on 2 September 2019.

Assets and liabilities of coal exploration and evaluation activities as mentioned at d)(ii) and (iii) are as under:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Assets	292.46	238.95
Liabilities	7.15	10.25

For the year ended 31 March 2020 and 31 March 2019, there are no income, expenses and operating cash flows from coal exploration activities.

60. Disclosure as per Ind AS 108 'Operating Segments'

A. General Information

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker (CODM) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Company's reportable segments:

Generation of energy : Generation and sale of bulk power to State Power Utilities.

Others : It includes providing consultancy, project management and supervision, energy trading, oil and gas exploration and coal mining.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Board. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

B. Information about reportable segments and reconciliations to amounts reflected in the financial statements:

₹ Crore

Particulars	Generation of energy		Others		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Segment revenue						
Sale of energy/consultancy, project management and supervision fee *	**94,093.66**	86,654.53	**4,874.48**	3,110.70	**98,968.14**	89,765.23
Other income	**2,490.26**	2,047.85	**116.63**	130.81	**2,606.89**	2,178.66
	96,583.92	88,702.38	**4,991.11**	3,241.51	**1,01,575.03**	91,943.89
Intersegment elimination					**(1,524.81)**	-
Unallocated corporate interest and other income					**428.19**	235.67
Total	**96,583.92**	88,702.38	**4,991.11**	3,241.51	**1,00,478.41**	92,179.56
Segment result (including net movements in regulatory deferral account balances)**	**27,606.70**	**13,724.83**	**569.02**	389.72	**28,175.72**	14,114.55
Unallocated corporate interest and other income					**428.19**	235.67
Unallocated corporate expenses, interest and finance costs					**8,286.84**	6,574.17
Profit before tax					**20,317.07**	7,776.05
Income tax expense (including tax on net movements in regulatory deferral account balances)					**10,204.26**	(3,973.84)
Profit after tax					**10,112.81**	11,749.89

₹ Crore

Particulars	Generation of energy		Others		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Depreciation and amortisation expense	**8,444.24**	7,180.68	**34.82**	0.29	**8,479.06**	7,180.97
Non-cash expenses other than depreciation and amortisation	**157.25**	634.23	**26.28**	14.32	**183.53**	648.55
Capital expenditure	**20,062.57**	24,936.53	**1,538.52**	1,032.47	**21,601.09**	25,969.00

₹ Crore

Particulars	Generation of energy		Others		Total	
	As at		As at		As at	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Segment assets	**2,11,353.34**	1,63,073.92	**6,685.20**	4,661.17	**2,18,038.54**	1,67,735.09
Unallocated corporate and other assets					**1,09,628.91**	1,23,015.87
Total assets	**2,11,353.34**	1,63,073.92	**6,685.20**	4,661.17	**3,27,667.45**	2,90,750.96
Segment liabilities	**18,410.27**	15,748.31	**3,841.80**	2,869.85	**22,252.07**	18,618.16
Unallocated corporate and other liabilities					**1,91,845.94**	1,64,724.63
Total liabilities	**18,410.27**	15,748.31	**3,841.80**	2,869.85	**2,14,098.01**	1,83,342.79

* Includes ₹ **31.59 crore** (31 March 2019: (-) ₹ 2,775.82 crore) for sales related to earlier years.

** Generation segment result would have been ₹ **27,575.11 crore** (31 March 2019: ₹ 13,515.08 crore) without including the sales related to earlier years amounting to ₹ **31.59 crore** (31 March 2019: (-) ₹ 2,775.82 crore) and related expenses amounting to ₹ **Nil** (31 March 2019: (-) ₹ 2,985.57 crore).

Reconciliation of Assets and Liabilities

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Segment assets (A)	**2,18,038.54**	1,67,735.09
Unallocated corporate and other assets:		
Non current investments	**26,400.89**	13,145.94
Capital work in progress including intangible assets under development	**73,359.28**	91,206.69
Capital advances	**4,814.27**	4,994.45
Cash and cash equivalents and other bank balances	**2,199.60**	2,125.14
Other current assets	**155.85**	6,254.76
Other unallocable assets	**2,699.02**	5,288.89
Total unallocated corporate and other assets (B)	**1,09,628.91**	1,23,015.87
Total Assets (A+B)	**3,27,667.45**	2,90,750.96
Segment liabilities (A)	**22,252.07**	18,618.16
Unallocated corporate and other liabilities:		
Non current borrowings	**1,54,662.31**	1,28,807.87
Deferred tax liability	**8,093.98**	4,200.14
Borrowings current	**14,049.36**	15,376.09
Capital liabilities	**14,070.70**	14,865.85
Other unallocable liabilities	**969.59**	1,474.68
Total unallocated corporate and other liabilities (B)	**1,91,845.94**	1,64,724.63
Total Liabilities (A+B)	**2,14,098.01**	1,83,342.79

Reconciliation of profit after tax

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Segment result (including net movements in regulatory deferral account balances) (A)	**28,175.72**	14,114.55
Unallocated corporate interest and other income (B)		
Dividend from non-current investments	**210.40**	124.19
Interest income	**129.92**	88.33
Miscellaneous income	**87.87**	23.15
Sub-total (B)	**428.19**	235.67
Unallocated corporate expenses, interest and finance costs (C)		
Finance costs	**6,781.97**	4,716.74
Employee benefits expense	**741.25**	843.29
Depreciation and amortisation expense	**143.79**	73.39
Other expenses	**619.83**	940.75
Sub total (C)	**8,286.84**	6,574.17
Profit before tax (including net movements in regulatory deferral account balances) (A+B-C)	**20,317.07**	7,776.05
Income tax expense (including tax on net movements in regulatory deferral account balances)	**10,204.26**	(3,973.84)
Profit after tax	**10,112.81**	11,749.89

The operations of the Company are mainly carried out within the country and therefore there is no reportable geographical segment.

C. Information about major customers

Revenue from customers under 'Generation of energy' segment which is more than 10% of the Company's total revenues, are as under:

Name of the customer	For the year ended			
	31 March 2020		31 March 2019	
	Amount (₹ Crore)	%age	Amount (₹ Crore)	%age
Maharashtra State Electricity Distribution Company Ltd.	**10,379.87**	**10.62**	9,506.31	10.54

61. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds equity investments and enter into derivative contracts such as forward contracts, options and swaps. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, unbilled revenue, derivative financial instruments, financial assets measured at amortised cost and cash and cash equivalents.	Ageing analysis Credit ratings	Credit limits, letters of credit and diversification of bank deposits.
Liquidity risk	Borrowings and other liabilities	Rolling cash flows forecast	Availability of committed credit lines and borrowing facilities
Market risk – foreign currency risk	- Future commercial transactions - Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward foreign exchange contracts Foreign currency options Currency and interest rate swaps and principal only swaps
Market risk – interest rate risk	Non-current borrowings at variable rates	Sensitivity analysis	Different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, foreign currency loans, etc.)

Risk management framework

The Company's activities make it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices.

In order to institutionalize the risk management in the Company, an elaborate Enterprise Risk Management (ERM) framework has been developed. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As a part of the implementation of ERM framework, a 'Risk Management Committee (RMC)' with functional directors as its members has been entrusted with the responsibility to identify and review the risks, formulate action plans and strategies to mitigate risks on short-term as well as long-term basis.

The RMC meets every quarter to deliberate on strategies. Risks are regularly monitored through reporting of key performance indicators. Outcomes of RMC are submitted for information of the Board of Directors.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, unbilled revenue, loans, cash and cash equivalents and deposits with banks and financial institutions.

Trade receivables & unbilled revenue

The Company primarily sells electricity to bulk customers comprising mainly state utilities owned by State Governments. The Company has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreement (TPA). The TPAs were signed among the Govt. of India, RBI and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of SEBs dues during 2001-02 by the GOI, which were valid till October 2016. Govt of India subsequently approved the extension of these TPAs for another period of 10 years. Most of the States have signed these extended TPAs and signing is in progress for the balance states.

CERC Tariff Regulations allow payment against monthly bill towards energy charges within a period of forty five days from the date of bill and levy of surcharge @ 18% p.a. on delayed payment beyond forty five days.

A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery.

As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Company for last 12 months. The TPA also provided that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU. There is also provision of regulation of power by the Company in case of non payment of dues and non-establishment of LC.

In addition to above, MoP vide its communications dated 28 June 2019 and subsequent clarifications, further emphasised on ensuring availability of suitable payment security mechanism to be maintained by DISCOMs. Further, to liquidate the outstanding dues of the discoms towards the generating companies, GOI has announced a Scheme for offering ₹90,000 crore in soft loans under the Aatmanirbhar Bharat package. The Discoms are expected to take the benefit of the this Scheme and pay their outstanding dues.

These payment security mechanisms have served the Company well over the years. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. Since the Company has its power stations as well as customers spread over various states of India, geographically there is no concentration of credit risk.

Unbilled revenue primarily relates to the Company's right to consideration for sale effected but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same type of contracts.

Investments

The Company limits its exposure to credit risk by investing in only Government of India Securities, State Government Securities and other counterparties have a high credit rating. The management actively monitors the interest rate and maturity period of these investments. The Company does not expect the counterparty to fail to meet its obligations, and has not experienced any significant impairment losses in respect of any of the investments.

Loans

The Company has given loans to employees, subsidiary companies, joint venture company and other parties. Loans to the employee are secured against the mortgage of the house properties and hypothecation of vehicles for which such loans have been given in line with the policies of the Company. The loan provided to group companies are collectible in full and risk of default is negligible. Loan to APIIC is against a guarantee given by the Government of Andhra Pradesh vide GO dated 3 April 2003.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ **20.37 crore** (31 March 2019: ₹ 24.38 crore). The cash and cash equivalents are held with banks with high rating.

Balances with banks and financial institutions, other than cash and cash equivalents

The Company held balances with banks and financial institutions, including earmarked balances, of ₹ **2,188.74 crore** (31 March 2019: ₹ 2,119.96 crore). In order to manage the risk, Company places deposits with only high rated banks/ institutions.

(i) **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments	**26,400.89**	13,145.94
Non-current loans	**600.26**	544.38
Other non-current financial assets*	**1,227.88**	1,242.70
Cash and cash equivalents	**20.37**	24.38
Bank balances other than cash and cash equivalents	**2,188.74**	2,119.96
Current loans	**308.56**	305.79
Other current financial assets**	**503.98**	461.01
Total (A)	**31,250.68**	17,844.16
Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL) as per simplified approach		
Trade receivables	**15,668.11**	8,433.86
Unbilled revenue	**11,025.15**	7,870.83
Total (B)	**26,693.26**	16,304.69
Total (A+B)	**57,943.94**	34,148.85

* Excluding share application money pending allotment (Refer Note 9)

** Excluding unbilled revenue (Refer Note 16)

(ii) **Provision for expected credit losses**

(a) **Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

(b) **Financial assets for which loss allowance is measured using life-time expected credit losses as per simplified approach**

The Company has customers (State government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables and unbilled revenue.

(iii) **Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below:

₹ Crore

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as at 31 March 2020	**4,751.62**	**2,993.12**	**1,718.48**	**1,015.49**	**507.90**	**4,681.70**	**15,668.31**
Gross carrying amount as at 31 March 2019	6,015.48	582.77	552.66	502.92	159.14	621.23	8,434.20

(iv) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year is as follows:

₹ Crore

Particulars	Investments	Trade receivables	Advances	Claims recoverable	Total
Balance as at 1 April 2018	806.82	0.34	0.07	0.12	807.35
Impairment loss recognised	162.42	-	-	14.95	177.37
Amounts written off / written back	-	-	0.01	-	0.01
Balance as at 31 March 2019	969.24	0.34	0.06	15.07	984.71
Impairment loss recognised	41.48	-	-	-	41.48
Amounts written off / written back	36.28	0.14	-	14.95	51.37
Balance as at 31 March 2020	**974.44**	**0.20**	**0.06**	**0.12**	**974.82**

Based on historic default rates, the Company believes that no impairment allowance is necessary in respect of any other financial assets as the amounts of such allowances are not significant.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's Treasury department is responsible for managing the short-term and long-term liquidity requirements of the Company. Short-term liquidity situation is reviewed daily by the Treasury department. The Board of directors has established policies to manage liquidity risk and the Company's Treasury department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long-term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a month, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As part of the CERC Regulations, tariff inter-alia includes recovery of capital cost. The tariff regulations also provide for recovery of energy charges, operations and maintenance expenses and interest on normative working capital requirements. Since billing to the customers are generally on a monthly basis, the Company maintains sufficient liquidity to service financial obligations and to meet its operational requirements.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Fixed-rate borrowings		
Foreign currency loans	-	3,207.17
Floating-rate borrowings		
Cash credit	**2,767.13**	3,500.00
Term loans	**8,145.00**	4,845.00
Foreign currency loans	**3,993.15**	45.01
Total	**14,905.28**	11,597.18

(ii) Maturities of financial liabilities

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

31 March 2020 ₹ **Crore**

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities						
Secured bonds	453.67	2,282.66	1,194.50	17,666.00	20,025.33	**41,622.16**
Rupee term loans from banks	1,045.20	1,259.27	3,406.16	14,857.19	42,064.78	**62,632.60**
Rupee term loans from others	34.87	673.52	898.52	2,645.11	416.67	**4,668.69**
Finance lease obligations	85.27	59.45	76.04	154.81	2,273.72	**2,649.29**
Foreign currency notes	189.88	180.03	5,803.00	13,028.70	11,066.90	**30,268.51**
Unsecured foreign currency loans from banks and financial institutions	176.39	1,511.08	1,166.79	2,074.26	8,051.70	**12,980.22**
Unsecured foreign currency loans (guaranteed by GOI)	-	210.64	207.24	621.71	862.83	**1,902.42**
Commercial paper and cash credit	12,680.21	1,500.00	-	-	-	**14,180.21**
Trade and other payables	17,095.85	6,701.86	609.28	795.67	2,159.29	**27,361.95**

31 March 2019 ₹ Crore

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities						
Secured bonds	954.20	1,636.84	1,542.00	10,414.26	21,115.08	35,662.38
Rupee term loans from banks	307.89	1,431.96	2,031.03	11,463.76	32,002.63	47,237.27
Rupee term loans from others	262.49	657.60	898.52	2,678.80	1,073.17	5,570.58
Finance lease obligations	5.04	32.92	36.85	49.74	682.68	807.23
Foreign currency notes	185.10	255.22	-	10,977.00	13,709.80	25,127.12
Unsecured foreign currency loans from banks and financial institutions	197.69	2,979.63	1,520.13	2,380.07	6,258.49	13,336.01
Unsecured foreign currency loans (guaranteed by GOI)	-	189.28	185.95	557.86	960.17	1,893.26
Commercial paper and cash credit	15,502.90	-	-	-	-	15,502.90
Trade and other payables	12,293.11	9,869.62	1,419.41	822.60	567.20	24,971.94
Derivative financial liabilities						
Full currency swaps	-	15.77	-	-	-	15.77

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

31 March 2020 **₹ Crore**

Particulars	USD	EURO	JPY	Others	Total
Financial assets					
Trade and other receivables	-	-	-	-	-
Cash and cash equivalents	0.35	-	-	0.07	0.42
Other financial assets	1.35	-	0.83	0.54	2.72
Total	**1.70**	**-**	**0.83**	**0.61**	**3.14**
Financial liabilities					
Foreign currency bonds	21,800.90	4,240.85	-	4,226.76*	30,268.51
Unsecured foreign currency loans from banks and financial institutions	4,316.67	1,458.58	9,107.39	-	14,882.64
Trade payables and other financial liabilities	1,974.02	915.34	94.85	8.63	2,992.84
Total	**28,091.59**	**6,614.77**	**9,202.24**	**4,235.39**	**48,143.99**

* ₹ 2000.00 crore - ₹ denominated USD settled Green Masala Bonds and ₹2,000.00 crore-₹ denominated USD settled Masala bonds.

31 March 2019 ₹ Crore

Particulars	USD	EURO	JPY	Others	Total
Financial assets					
Trade and other receivables	0.05	-	-	1.18	1.23
Cash and cash equivalents	0.53	-	-	3.67	4.20
Other financial assets	1.09	-	-	0.49	1.58
Total	1.67	-	-	5.34	7.01
Financial liabilities					
Foreign currency bonds	16,940.30	3,960.07	-	4,226.76*	25,127.13
Unsecured foreign currency loans from banks and financial institutions	6,760.64	1,652.09	6,832.31	-	15,245.04
Trade payables and other financial liabilities	2,414.27	818.14	106.16	140.22	3,478.79
Total	26,115.21	6,430.30	6,938.47	4,366.98	43,850.96

* ₹ 2000.00 crore - ₹ denominated USD settled Green Masala Bonds and ₹2,000.00 crore-₹ denominated USD settled Masala bonds.

Out of the above, an amount of ₹ **Nil** (31 March 2019: ₹ 15.77 crore) is hedged by derivative instruments. In respect of the balance exposure, gain/(loss) on account of exchange rate variations on all foreign currency loans and foreign currency monetary items (up to COD) is recoverable from beneficiaries. Therefore, currency risk in respect of such exposure would not be very significant.

Sensitivity analysis

Since the impact of strengthening or weakening of INR against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

Embedded derivatives

Certain contracts of the Company for construction of power plants with vendors awarded through ICB (International Competitive Bidding) are denominated in third currency i.e. a currency which is not the functional currency of any of the parties to the contract. The Company has sought an opinion from the Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India (ICAI) w.r.t. applicability of provisions of Ind AS 109-'Financial Instruments' for accounting of embedded derivatives in such contracts. Pending receipt of opinion from EAC, the company has not considered such transactions as an embedded derivative. On receipt of opinion from EAC, appropriate action shall be taken in this regard.

Interest rate risk

The Company is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by entering into different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, foreign currency loans, etc.).

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ Crore

Particulars	31 March 2020	31 March 2019
Financial Assets:		
Fixed-rate instruments		
Loans to related parties	**212.72**	184.22
Loans to others	**24.17**	25.07
Bank deposits	**2,131.83**	2,066.65
Total	**2,368.72**	2,275.94
Financial Liabilities:		
Fixed-rate instruments		
Bonds	**41,619.18**	35,659.44
Foreign currency loans/notes*	**34,872.71**	30,092.43
Rupee term loans	**118.52**	152.39
Commercial paper and cash credit	**13,819.32**	15,502.90
Lease obligations	**829.67**	186.41
	91,259.40	81,593.57
Variable-rate instruments		
Foreign currency loans/notes	**10,039.45**	10,061.74
Rupee term loans	**67,182.77**	52,655.46
Cash credit	**230.04**	-
	77,452.26	62,717.20
Total	**1,68,711.66**	1,44,310.77

* Includes ₹ 2000.00 crore - ₹ denominated USD settled Green Masala Bonds and ₹ 2,000 crore ₹ denominated USD settled Masala bonds (31 March 2019: includes ₹ 2000.00 crore - ₹ denominated USD settled Green Masala Bonds and ₹ 2,000 crore ₹ denominated USD settled Masala bonds).

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Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

₹ Crore

Particulars	Profit or loss	
	50 bp increase	50 bp decrease
31 March 2020		
Foreign currency loans/notes	**(43.65)**	**43.65**
Rupee term loans	**(271.25)**	**271.25**
Cash credit	**(2.72)**	**2.72**
	(317.62)	**317.62**
31 March 2019		
Foreign currency loans/notes	(42.00)	42.00
Rupee term loans	(246.87)	246.87
	(288.87)	288.87

Of the above mentioned increase in the interest expense, an amount of ₹ **162.47 crore** (31 March 2019: ₹ 148.40 crore) is expected to be capitalised and recovered from beneficiaries through tariff.

62. Fair Value Measurements

a) Financial instruments by category

₹ Crore

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments	**3.78**	**46.50**	**26,350.61**	3.78	88.14	13,054.02
Trade Receivables	**-**	**-**	**15,668.11**	-	-	8,433.86
Loans	**-**	**-**	**908.82**	-	-	850.17
Cash and cash equivalents	**-**	**-**	**20.37**	-	-	24.38
Other bank balances	**-**	**-**	**2,188.74**	-	-	2,119.96
Finance lease receivables	**-**	**-**	**464.37**	-	-	520.00
Derivative financial assets	**-**	**-**	**-**	1.28	-	-
Other financial assets*	**-**	**-**	**12,292.64**	-	-	9,053.26
	3.78	**46.50**	**57,893.66**	5.06	88.14	34,055.65
Financial liabilities						
Borrowings	**-**	**-**	**1,53,832.64**	-	-	1,28,621.46
Commercial paper and cash credit	**-**	**-**	**14,049.36**	-	-	15,376.09
Finance lease obligations	**-**	**-**	**829.67**	-	-	186.41
Trade payables	**-**	**-**	**9,068.64**	-	-	7,599.11
Payable for capital expenditure	**-**	**-**	**14,070.70**	-	-	14,865.85
Other financial liabilities	**-**	**-**	**2,173.67**	-	-	2,240.92
	-	**-**	**1,94,024.68**	-	-	1,68,889.84

* Excluding share application money pending allotment (Refer Note 9)

b) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS. An explanation of each level follows underneath the table.

₹ Crore

Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Investments in quoted equity instruments - PTC India Ltd.	**46.50**	-	-	**46.50**
Investments in unquoted equity instruments	-	-	**3.78**	**3.78**
	46.50	-	**3.78**	**50.28**

₹ Crore

Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial assets				
- Principal only swaps	-	-	1.28	1.28
Investments in quoted equity instruments - PTC India Ltd.	88.14	-	-	88.14
Investments in unquoted equity instruments	-	-	3.78	3.78
	88.14	-	5.06	93.20

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the Director (Finance). The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Audit Committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investments in quoted equity instruments. Quoted equity instruments are valued using quoted prices on national stock exchange.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This level includes mutual funds which are valued using the closing NAV.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from prevailing market transactions and dealer quotes of similar instruments.

There have been no transfers in either direction for the years ended 31 March 2020 and 31 March 2019.

c) Valuation technique used to determine fair value:

Specific valuation techniques used to fair value of financial instruments include:

i) For financial instruments other than at ii), iii) and iv) - the use of quoted market prices

ii) For investments in mutual funds - Closing NAV is used.

iii) For financial liabilities (vendor liabilities, debentures/bonds, foreign currency notes, domestic/foreign currency loans): Discounted cash flow; appropriate market borrowing rate of the entity as of each balance sheet date used for discounting.

iv) For financial assets (employee loans) - Discounted cash flow; appropriate market rate (SBI lending rate) as of each balance sheet date used for discounting.

d) Fair value of financial assets and liabilities measured at amortised cost

₹ Crore

Particulars	Level	As at 31 March 2020		As at 31 March 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Investments in subsidiary and joint venture companies	3	26,350.61	26,350.61	13,054.02	13,054.02
Loans	3	908.82	919.25	850.17	849.29
Finance lease receivables	3	464.37	464.37	520.00	520.00
Claims recoverable	3	821.55	821.55	785.27	785.27
Trade receivables	3	15,668.11	15,668.11	8,433.86	8,433.86
Cash and cash equivalents	1	20.37	20.37	24.38	24.38
Bank balances other than cash and cash equivalents	1	2,188.74	2,188.74	2,119.96	2,119.96
Other financial assets	3	11,668.37	11,668.37	8,450.86	8,450.86
		58,090.94	58,101.37	34,238.52	34,237.64
Financial liabilities					
Bonds/Debentures	1	8,898.25	9,920.36	-	-
	2	204.60	248.22	6,138.41	6,217.39
	3	32,516.33	36,676.63	29,521.03	30,974.07
Foreign currency notes	1	-	-	3,541.49	3,671.86
	2	21,755.39	21,700.87	13,355.17	13,805.42
	3	8,440.39	9,070.10	8,152.40	8,658.54
Foreign currency loans	3	14,716.39	15,051.46	15,105.11	15,297.59
Rupee term loans	3	67,301.29	67,302.42	52,807.85	52,805.40
Lease obligations	3	829.67	829.67	186.41	186.41
Borrowings - current	1	14,049.36	14,049.36	15,376.09	15,376.09
Trade payables and payable for capital expenditure	3	23,139.34	23,115.52	22,464.96	22,362.57
Other financial liabilities	3	2,173.67	2,173.67	2,240.92	2,240.92
		1,94,024.68	2,00,138.28	1,68,889.84	1,71,596.26

The carrying amounts of current trade receivables, current trade payables, payable for capital expenditure, investment in subsidiary and joint venture companies, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The carrying values for finance lease receivables approximates the fair value as these are periodically evaluated based on credit worthiness of customer and allowance for estimated losses is recorded based on this evaluation. Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

The fair values for loans, borrowings, non-current trade payables and payable for capital expenditure were calculated based on cash flows discounted using a current discount rate. They are classified at respective levels based on availability of quoted prices and inclusion of observable/non observable inputs.

63. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as returns from operating activities divided by total shareholders' equity deployed in operating activities. The Board of Directors also monitors the level of dividends to equity shareholders in line with the dividend distribution policy of the Company.

Under the terms of major borrowing facilities, the Company is required to comply with the following financial covenants:

(i) Total liability to networth ranges between 2:1 to 3:1.

(ii) Ratio of EBITDA to interest expense shall not at any time be less than 1.75 : 1.

(iii) Debt service coverage ratio not less than 1.10:1 (in case of foreign currency borrowings).

There have been no breaches in the financial covenants of any interest bearing borrowings.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of non-current borrowings (including current maturities and interest accrued there on) and current borrowings less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting period was as follows:

₹ **Crore**

Particulars	**As at 31 March 2020**	As at 31 March 2019
Borrowings	**1,68,711.67**	1,44,183.96
Less: Cash and cash equivalents	**20.37**	24.38
Net Debt	**1,68,691.30**	1,44,159.58
Total Equity	**1,13,569.44**	1,07,408.17
Net Debt to Equity Ratio	**1.49**	1.34

64. Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'

(i) **Nature of rate regulated activities**

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its beneficiaries is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return.

This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

(ii) Recognition and measurement

(a) As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till the declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. The CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange differences arising during the construction period is within the scope of Ind AS 114.

Further, any loss or gain on account of exchange differences on foreign currency loans for opearting stations shall be recoverable from / payable to beneficiaries on actual payment basis, as per the said Regulations. Accordingly, such exchange differences are also within the scope of Ind AS 114.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/ debit to ' Net Movements in Regulatory deferral account balances' and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹ **1,202.93 crore** for the year ended as at 31 March 2020 has been accounted for as 'Regulatory deferral account debit balance' (31 March 2019: (-) ₹ 35.38 crore accounted as 'Regulatory deferral account debit balance'.)

(b) Revision of pay scales of employees of PSEs w.e.f. 1 January 2017 has been implemented based on the guidelines issued by Department of Public Enterprises (DPE). The guidelines provide payment of superannuation benefits @ 30% of basic + DA to be provided to the employees of CPSEs which includes gratuity at the enhanced ceiling of ₹ 0.20 crore from the existing ceiling of ₹ 0.10 crore. As per Proviso 8(3) of Terms and Conditions of Tariff Regulations 2014 applicable for the period 2014-19, truing up exercise in respect of Change in Law or compliance of existing law will be taken up by CERC. The increase in gratuity limit from ₹ 0.10 crore to ₹ 0.20 crore falls under the category of 'Change in law' and a regulatory asset has been created. The Payment of Gratuity Act,1972 has since been amended and the ceiling has been increased to ₹ 0.20 crore.

Considering the methodology followed by the CERC for allowing impact of the previous pay revision, various tariff orders issued by the CERC under Regulations, 2014 and the above-mentioned provision related to the change in law of CERC Tariff Regulations, 2014, a regulatory asset has been created (Regulatory deferral account debit balance) towards the increase in O&M expenditure due to the pay revision. This has been taken up with CERC through truing up tariff petition. An amount of ₹ **Nil** for the year ended 31 March 2020 has been accounted for as 'Regulatory deferral account debit balance' (31 March 2019: ₹ 118.26 crore).

(c) CERC Regulations provide that deferred tax liability upto 31 March 2009 shall be recovered from the beneficiaries as and when the same gets materialized. Further, for the period commencing from 1 April 2014, CERC Tariff Regulations provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. The Company has recognised a regulatory deferral account debit balance for such deferred tax liabilities (net) in the financial statements. Regulatory deferral account debit balance for deferred tax liability for the period commencing from 1 April 2014 will be reversed in future years when the related deferred tax liability forms part of current tax. Accordingly, an amount of ₹ **4,000.77 crore** (31 March 2019: (-) ₹ 5,160.22 crore) for the year ended 31 March 2020 has been accounted for as 'Regulatory deferral account debit balance'.

(d) The petition filed by the Company before CERC for reimbursement of the expenditure on transportation of ash, has been favourably considered by CERC vide order dated 5 November 2018 and it was allowed to reimburse the actual additional expenditure incurred towards transportation of ash in terms of MOEF notification under change in law, as additional O&M expenses, w.e.f. 25 January 2016 subject to prudence check. Keeping in view the above, regulatory asset has been created towards ash transportation expenses in respect of stations where there is shortfall in revenue from sale of ash over and above ash transportation expenses. Accordingly, an amount of ₹ **647.56 crore** (31 March 2019: ₹ 179.29 crore) for the year ended 31 March 2020 has been accounted for as 'Regulatory deferral account debit balance'.

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances:

(i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply

(ii) regulatory risk on account of changes in regulations and submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions

(iii) other risks including currency or other market risks, if any

(iv) Reconciliation of the carrying amounts:

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

a) Regulatory deferral account debit balance - Note 18

The regulatory assets recognized in the books to be recovered from the beneficiaries in future periods are as follows:

₹ **Crore**

Particulars	**For the year ended 31 March 2020**	For the year ended 31 March 2019
A. Opening balance	**3,406.00**	8,381.66
B. Addition during the year	**5,851.26**	(4,898.05)
C. Adjustments during the year	**(134.39)**	(79.19)
D. Amount collected/refunded during the year	**(0.11)**	1.58
E. Regulatory deferral account balances recognised in the statement of profit and loss (B+D)	**5,851.15**	(4,896.47)
F. Closing balance (A+C+E)	**9,122.76**	3,406.00

b) Net movements in regulatory deferral account balances [I]	**5,851.15**	(4,896.47)
c) Tax on net movements in regulatory deferral account balances [II]	**1,022.31**	(1,055.13)
d) Total amount recognized in the statement of profit and loss during the year [I-II]	**4,828.84**	(3,841.34)

The Company expects to recover the carrying amount of regulatory deferral account debit balance over the life of the projects.

65. Disclosure as per Ind AS 115, 'Revenue from contracts with customers'

I. Nature of goods and services

The revenue of the Company comprises of income from energy sales, sale of energy through trading, consultancy and other services. The following is a description of the principal activities:

(a) Revenue from energy sales

The major revenue of the Company comes from energy sales. The Company sells electricity to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for energy sales:

Product/ Service	**Nature, timing of satisfaction of performance obligations and significant payment terms**
Energy sales	The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. The amount of revenue recognised for energy sales is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed on a monthly basis and are payable within contractually agreed credit period.

(b) Revenue from energy trading, consultancy and other services

(i) Sale of Energy through trading

The Company is purchasing power from the developers and selling it to the Discoms on principal to principal basis.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of energy through trading:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of energy through trading	The Company recognises revenue from contracts for sale of energy through trading over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from sale of energy through trading is determined as per the terms of the agreements. The amount of revenue recognised is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed on a monthly basis and are payable within contractually agreed credit period.

(ii) Consultancy and other services

The Company undertakes consultancy and turnkey project contracts for domestic and international clients in the different phases of power plants viz. engineering, project management & supervision, construction management, operation & maintenance of power plants, research & development, management consultancy etc.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for consultancy and other services:

Product/Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Consultancy services	The Company recognises revenue from contracts for consultancy services over time as the customers simultaneously receive and consume the benefits provided by the Company. For the assets (e.g. deliverables, reports etc.) transferred under the contracts, the assets do not have alternative use to the Company and the Company has enforceable right to payment for performance completed to date. The revenue from consultancy services is determined as per the terms of the contracts. The amount of revenue recognised is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period.
Operation and maintenance services	The Company recognises revenue from contracts for operation and maintenance services over time as the customers simultaneously receive and consume the benefits provided by the Company. The revenue from opertion and maintenance services is determined as per the terms of the contracts. The amount of revenue recognised is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period.
Deen Dayal Upadhyay Gramin Jyoti Yojna (DDUGJY Scheme)	The Company recognises revenue from work done under DDUGJY scheme over time as the assets do not have alternative use to the Company and the Company has enforceable right to payment for performance completed to date. The revenue from DDUGJY scheme is determined as per the terms of the contract. There is no component of variable consideration under the contract. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period.
Pradhan Mantri Sahaj Bijli Har Ghar Yojna (SAUBHAGYA Scheme)	The Company recognises revenue from work done under SAUBHAGYA scheme at a point in time when the Company transfers control of goods and services under the contract to the customers. The revenue from SAUBHAGYA scheme is determined as per the terms of the contracts. There is no component of variable consideration under the contract. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period.

(iii) Sale of captive coal to subsidiary company

The revenue also includes revenue from sale of captive coal to subsidiary.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of captive coal:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of captive coal to subsidiary company	The Company recognises revenue from contracts for sale of captive coal to subsidiary company when control of the goods is transferred to customers. The tariff for computing revenue from sale of captive coal to subsidiary company is determined in terms of CERC Tariff Regulations applicable for input price of coal from captive mines. The amounts are billed as and when goods are transferred and are payable as per agreed proceedures.

II. Disaggregation of revenue

In the following table, revenue is disaggregated by type of product and services, geographical market and timing of revenue recognition:

₹ Crore

Particulars	Generation of energy		Others		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Geographical markets						
India	**94,093.66**	86,654.53	**3,349.67**	3,108.66	**97,443.33**	89,763.19
Outside India	**-**	-	**-**	2.04	**-**	2.04
	94,093.66	86,654.53	**3,349.67**	3,110.70	**97,443.33**	89,765.23
Timing of revenue recognition						
Products and services transferred over time	**94,093.66**	86,654.53	**3,349.67**	3,110.70	**97,443.33**	89,765.23
	94,093.66	86,654.53	**3,349.67**	3,110.70	**97,443.33**	89,765.23

III. Reconciliation of revenue recognised with contract price:

₹ Crore

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract price	**97,877.17**	90,581.03
Adjustments for:		
Rebates	**(433.84)**	(815.80)
Revenue recognised	**97,443.33**	89,765.23

IV. Contract balances

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are transferred to unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers which are referred as 'advances from customers / payable to beneficiaries'.

The following table provides information about trade receivables, unbilled revenue and advances from customers / payable to beneficiaries:

₹ Crore

Particulars	As at 31 March 2020		As at 1 April 2019	
	Current	**Non-current**	Current	Non-current
Trade receivables	**15,668.11**	**-**	8,433.86	-
Unbilled revenue	**11,025.15**	**-**	7,870.83	-
Advances from customers / payable to beneficiaries	**652.34**	**-**	345.72	-

The amount of revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to change in transaction prices is ₹ **31.59 crore** (31 March 2019 : (-) ₹ 2775.82 crore).

V. Transaction price allocated to the remaining performance obligations

Performance obligations related to sale of energy:

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations, where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract.

Performance obligations related to other contracts:

For rest of the contracts, transaction price for remaining performance obligations amounts to ₹ **747.23 crore** (31 March 2019: ₹ 715.45 crore) which shall be received over the contract period in proportion of the work performed/services provided by the Company.

VI. Practical expedients applied as per Ind AS 115:

a. The company has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

b. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company has not adjusted any of the transaction prices for the time value of money.

VII. The Company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such costs.

66. Disclosure as per Ind AS 116 'Leases'

(A) Transition to Ind AS 116

(a) Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019, using the modified retrospective method. Accordingly, the comparatives as at and for the year ended 31 March 2019 have not been restated. On the date of initial application, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of initial application and a corresponding right-of-use asset adjusted for the amount of prepaid or accrued payments on the lease.

(b) The Company has applied the following practical expedients on initial application of Ind AS 116:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(iii) Excluded the initial direct costs, if any, from the measurement of the right-of-use asset at the date of initial application.

(iv) Elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(v) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(c) On transition to Ind AS 116, the Company has recognised lease liabilities and equivalent amount of right-of-use assets amounting to ₹ 11.14 crore. Further, land, buildings, plant & equipment and vehicles amounting to ₹ 5,125.10 crore have been classified/reclassified and presented as Right-of-use assets on the Balance Sheet.

(d) On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 is 8.29%.

(e) The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

₹ Crore

Particulars	Amount
Operating lease commitments as at 31 March 2019 (future minimum lease payments in respect of non-cancellable leases)	6.40
Less: Effect of discounting on above	1.27
Discounted recognised lease liabilities as at 1 April 2019	5.13
Discounted recognised lease liabilities as at 1 April 2019 (Pertaining to cancellable leases commitments as on 31 March 2019)**	6.01
Total lease liabilities recognised as at 1 April 2019	11.14

** The lease liability pertain to cancellable leases commitments as on 31 March 2019 which were not required to be disclosed under erstwhile Ind AS 17.

(B) Company as Lessee

(i) The Company's significant leasing arrangements are in respect of the following assets:

(a) Premises for residential use of employees, offices and guest houses/ transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms. The company generally incurs amount on improvements which are significant to the respective lease and hence the cancellable period of the lease during which the company intends to continue considering the past experience / practice, is considered for the purpose of determining the lease period.

(b) The Company has taken electrical vehicles on operating lease for a period of six years, which can be further extended at mutually agreed terms. Lease rentals are subject to escalation of 10% per annum.

(c) A helicopter on wet lease basis.

(d) The Company has taken certain vehicles (other than electrical) on lease for a period of four years, which can be further extended at mutually agreed terms. There are no escalations in the lease rentals as per terms of the agreement. However, the Company has purchase option for such vehicles at the end of the lease term.

(e) The Company had entered into an agreement for movement of coal through inland waterways for one of its stations. As per the agreement, the operator was to design, finance, build, operate and maintain the unloading and material handling infrastructure for 7 years after which it was to be transferred to the Company at ₹ 1/-. Refer Note no. 57 (iii)(b).

(f) The Company acquires land on leasehold basis for a period generally ranging from 25 years to 99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non cancellable. These leases are capitalised at the present value of the total minimum lease payments to be paid over the lease term. Future lease rentals are recognised as 'Lease liablities' at their present values. The Right-of-use land is amortised considering the signifcant accounting policies of the Company.

In respect of leases at (d), (e) & (f) above, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying Ind AS 17.

(ii) The following are the carrying amounts of lease liabilities recognised and the movements during the year :

₹ Crore

Particulars	For the Year ended 31 March 2020
Opening Balance	186.41
- Additions in lease liabilities	648.21
- Interest cost during the year	37.82
- Payment of lease liabilities	(42.77)
Closing Balance	829.67
Current	106.41
Non Current	723.26

(iii) Maturity Analysis of the lease liabilities:

₹ Crore

Contractual undiscounted cash flows	As at 31 March 2020
3 months or less	85.27
3-12 Months	59.45
1-2 Years	76.04
2-5 Years	154.81
More than 5 Years	2273.72
Lease liabilities as at 31 March 2020	2649.29

(iv) The following are the amounts recognised in Statement of profit and loss:

₹ Crore

Particulars	For the Year ended 31 March 2020
Depreciation and amortisation expense for right-of-use assets	276.93
Interest expense on lease liabilities	37.82
Expense relating to short-term leases	10.55

(v) The following are the amounts disclosed in the cash flow statement:

₹ Crore

Particulars	For the Year ended 31 March 2020
Cash Outlow from leases	53.32

(C) Leases as lessor

a) Finance leases

The Company had classified the arrangement with its customer for Stage I of a power station in the nature of lease based on the principles enunciated in Appendix C of Ind AS 17 - 'Leases' and accounted for as finance lease in accordance with those principles. This arrangement continues to be classified as finance lease after transition to Ind AS 116 - 'Leases'.

The power purchase agreement with the beneficiary is for a period of twenty five years from the date of transfer and the agreement may be mutually extended, renewed or replaced by another agreement on such terms and for such further period of time as the parties may mutually agree.

The following are the amounts recognised in Statement of profit and loss:

₹ Crore

Partculars	For the year ended 31 March 2020	For the year ended 31 March 2019
i) Finance income on the net investment in the lease	59.90	70.84
ii) Income relating to variable lease payments not included in the measurement of the net investment in the lease	899.19	982.05

Undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and for the remaining years:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Less than one year	**108.54**	112.10
Between one and two years	**108.54**	112.10
Between two and three years	**108.54**	112.10
Between three and four years	**108.54**	112.10
Between four and five years	**214.16**	112.10
More than five years	**-**	217.41
Total minimum lease payments	**648.32**	777.91
Less amounts representing unearned finance income	**183.95**	257.91
Present value of minimum lease payments	**464.37**	520.00

b) Operating leases

The Company had classified the arrangement with its customer for two power stations (one thermal and one gas) as lease based on the principles enunciated in Appendix C of Ind AS 17 and accounted for as operating lease in accordance with those principles. These arrangements continue to be classified as operating lease after transition to Ind AS 116 'Leases'.

(i) Thermal Power Station

Power Purchase Agreements (PPA) signed with the beneficiary was operative for a period of five years from the date of take over of the plant and the agreement may be mutually extended, renewed or replaced by another agreement on such terms and conditions for such further period as the parties may mutually agree.

(ii) Gas Power Station

PPA signed with the beneficiary on 6 January 1995 was operative for five years from the date of commercial operation of last unit of the station and may be mutually extended, renewed or replaced by another agreement on such terms and on such further period of time as the parties may mutually agree. As per the supplementary agreement dated 15 February 2013 the validity period is extended for a further period of 12 years from 1 March 2013.

The following are the amounts recognised in Statement of profit and loss in respect of the above stations:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Lease Income	**156.18**	233.63
Income relating to variable lease payments that do not depend on an index or a rate	**973.13**	982.95

Undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and for the remaining years:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
Less than one year	**156.18**	229.91
Between one and two years	**19.58**	229.91
Between two and three years	**19.58**	92.48
Between three and four years	**19.58**	92.48
Between four and five years	**3.91**	92.47
More than five years	**-**	78.33
	218.83	815.58

67. Information in respect of micro and small enterprises as at 31 March 2020 as required by Schedule III to the Companies Act,2013 and Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

₹ Crore

Particulars	31 March 2020	31 March 2019
a) Amount remaining unpaid to any supplier:		
Principal amount	**729.01**	587.50
Interest due thereon	**-**	0.29
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	**-**	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	**-**	0.01
d) Amount of interest accrued and remaining unpaid	**-**	0.07
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	**-**	-

The payment to the vendors are made as and when they are due, as per terms and conditions of respective contracts.

68. **Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

A. Loans and advances in the nature of loans:

1. To Subsidiary companies

₹ Crore

Name of the Company	Outstanding balance as at		Maximum amount outstanding during the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
Kanti Bijlee Utpadan Nigam Ltd.	**193.00**	170.50	**253.50**	231.00
Patratu Vidyut Utpadan Nigam Ltd.	**-**	7.00	**7.00**	41.75
NTPC Vidyut Vyapar Nigam Ltd.	**-**	-	**60.00**	-

2. To Joint venture companies

₹ Crore

Name of the Company	Outstanding balance as at		Maximum amount outstanding during the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
National High Power Test Laboratory Private Ltd.	**18.40**	6.00	**18.40**	6.00

3. To Firms/companies in which directors are interested : ₹ Nil

B. Investment by the loanee (as detailed above) in the shares of NTPC and its subsidiaries : ₹ Nil

69. **Contingent liabilities and commitments**

A. Contingent liabilities

a. Claims against the Company not acknowledged as debts

(i) Capital works

Some of the contractors for supply and installation of equipment and execution of works at our projects have lodged claims on the Company for ₹ **11,611.59 crore** (31 March 2019: ₹ 11,460.55 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The Company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

(ii) Land compensation cases

In respect of land acquired for the projects, the erstwhile land owners have claimed higher compensation before various authorities/courts which are yet to be settled. Against such cases, contingent liability of ₹ **422.96 crore** (31 March 2019: ₹ 374.63 crore) has been estimated."

(iii) Fuel suppliers

Pending resolution of the issues with the coal companies, an amount of ₹ **2,997.23 crore** (31 March 2019: ₹ 3,009.74 crore) towards grade slippage pursuant to third party sampling has been estimated by the Company as contingent liability. Further, an amount of ₹ **1,223.20 crore** (31 March 2019: ₹ 878.52 crore) towards surface transportation charges, custom duty on service margin on imported coal etc. has been estimated by the Company as contingent liability.

The Company is pursuing with the fuel companies, related ministries and other options under the dispute resolution mechanism available for settlement of these claims.

(iv) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fee, penalty on diversion of agricultural land to non-agricultural use, non agricultural land assessment tax, water royalty, other claims, etc. and by others, contingent liability of ₹ **834.00 crore** (31 March 2019: ₹ 427.24 crore) has been estimated.

(v) **Possible reimbursement in respect of (i) to (iii) above**

The contingent liabilities referred to in (i) above, include an amount of ₹ **Nil** (31 March 2019: ₹ 682.19 crore) relating to the hydro power project stated in Note 9(b) - Other financial assets, for which Company envisages possible reimbursement from the GOI in full. In respect of balance claims included in (i) and in respect of the claims mentioned at (ii) above, payments, if any, by the Company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Tariff Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement by way of recovery through tariff as per Regulations is ₹ **4,149.16 crore** (31 March 2019: ₹ 3,639.64 crore).

b. **Disputed tax matters**

Disputed income tax/sales tax/excise and other tax matters pending before various Appellate Authorities amount to ₹ **612.54 crore** (31 March 2019: ₹ 8,047.86 crore). Many of these matters were adjudicated in favour of the Company but are disputed before higher authorities by the concerned departments. In respect of these disputed cases, the Company estimate possible reimbursement of ₹ **483.97 crore** (31 March 2019: ₹ 3,922.55 crore). The amount paid under dispute/adjusted by the authorities in respect of the cases amounts to ₹**21.28 crore** (31 March 2019: ₹ 2,513.94 crore). Also refer Note 49 (II)(b).

c. **Others**

Contingent liability in respect of bills discounted with banks against trade receivables amounts to ₹ **10,692.34 crore** (31 March 2019 ₹ 9,998.99 crore) (Refer Note-12). In case of any claim on the Company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge. Other contingent liabilities amount to ₹ **2,443.92 crore** (31 March 2019: ₹ 2,233.08 crore) which includes claim of ₹**2,014.84 crore** (31 March 2019: ₹ 1,875.73 crore) not accepted by the Company. Refer Note 57 (iii)(b).

Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.

B. **Contingent assets**

(i) While determining the tariff for some of the Company's power stations, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

(ii) CERC Tariff Regulations provide for levy of Late Payment Surcharge by generating company in case of delay in payment by beneficiaries beyond specified number of days from the date of presentation of bill. However, in view of significant uncertainties in the ultimate collection from some of the beneficiaries against partial bills as estimated by the management, an amount of ₹ **105.27 crore** as on 31 March 2020 (31 March 2019: ₹ 63.72 crore) has not been recognised.

C. **Commitments**

a) Estimated amount of contracts remaining to be executed on capital account (property, plant and equipment and intangible assets) and not provided for as at 31 March 2020 is ₹ **50,428.89 crore** (31 March 2019: ₹ 38,806.34 crore). Details of the same are as under:

₹ Crore

Particulars	**As at 31 March 2020**	As at 31 March 2019
Property, plant and equipment	**50,351.63**	38,779.75
Intangible assets	**77.26**	26.59
Total	**50,428.89**	38,806.34

b) In respect of investments of ₹ **19,799.92 crore** including share application money pending allotment of ₹ **197.28 crore** (31 March 2019: ₹ 7,453.08 crore including share application money pending allotment of ₹ 121.59 crore) in subsidiary companies, the Company has restrictions for their disposal as at 31 March 2020 as under:

₹ Crore

Name of the Subsidiary	**Period of restrictions for disposal of investments as per related agreements**	**Amount invested as at**	
		31 March 2020	31 March 2019
Bhartiya Rail Bijlee Company Ltd.	5 years from the date of commercial operation of the last unit of the project.	**1,774.12**	1,721.13
Kanti Bijlee Utpadan Nigam Ltd.	5 years from the date of commercial operation. Further, as per loan agreement, minimum equity of 51% shall be maintained at all times until final settlement of loan i.e., 4 years moratorium period and subsequently 11 years for repayment.	**1,610.67**	1,510.67

₹ Crore

Name of the Subsidiary	Period of restrictions for disposal of investments as per related agreements	Amount invested as at	
		31 March 2020	31 March 2019
Patratu Vidyut Utpadan Nigam Ltd.	5 years from the date of signing of agreement or till the date of commercial operation of the last new unit of Phase-I, whichever is later.	**498.12**	234.12
Nabinagar Power Generating Company Ltd.	NTPC shall not transfer/assign or pledge shares until final settlement of loan i.e. 5 years moratorium and subsequently 15 years for repayment.	**4,417.01**	3,987.16
THDC India Ltd.	Save and except with prior written consent of GOI, NTPC shall not take any action that may result in shareholding in the subsidiary falling below 51% and shall not take any action that may result in the subsidiary ceasing to be a government company.	**7,500.00**	-
North Eastern Electric Power Corporation Ltd.	Save and except with prior written consent of GOI, NTPC shall not take any action that may result in shareholding / or total voting power in the subsidiary falling below 51% and shall not take any action that may result in the subsidiary ceasing to be a government company. Further, NTPC shall continue to hold 100% of paid up capital and voting power in the subsidiary till all amounts repayable under the loan agreement executed between the subsidiary and KfW are repaid.	**4,000.00**	-
Total		**19,799.92**	7,453.08

c) In respect of investments of ₹ **2,904.47 crore** including share application money pending allotment of ₹ **Nil** (31 March 2019: ₹ 2,164.50 crore including share application money pending allotment of ₹ 60.00 crore) in the joint venture companies, the Company has restrictions for their disposal as at 31 March 2020 as under:

₹ Crore

Name of the Joint Venture Company	Period of restrictions for disposal of investments as per related agreements	Amount invested as at	
		31 March 2020	31 March 2019
Transformers and Electricals Kerala Ltd.	3 years from the date of acquisition (i.e.19.06.2009) or upgradation capacity enhancement scheme whichever is later. Also refer Note 6 (e).	**31.34**	31.34
NTPC BHEL Power Projects Private Ltd.	3 years from the date of completion of first EPC contract of single order value of not less than ₹500 crore or till further such time as mutually agreed. Also refer Note 6 (d).	**50.00**	50.00
National High Power Test Laboratory Private Ltd.	5 years from the date of incorporation (i.e. 22.05.2009) or completion of project whichever is later.	**30.40**	30.40
CIL NTPC Urja Private Ltd.	5 years from the date of incorporation (i.e. 27.04.2010) or commercial operation whichever is later.	**0.08**	0.08
Trincomalee Power Company Ltd.	12 years from the initial operation date.	**15.20**	15.20
Bangladesh-India Friendship Power Company Private Ltd.	15 years from the date of commercial operation date.	**444.72**	277.83
Meja Urja Nigam Private Ltd.	5 years from the date of incorporation (i.e. 02.04.2008) or commercial operation whichever is later.	**1,581.64**	1,319.33
Hindustan Urvarak and Rasayan Ltd.	(a) 5 years from the date of incorporation (15.06.2016) or 2 years from commercial operation date of any one of the proposed projects at Sindri, Gorakhpur and Barauni or date of allotment of shares for first time, whichever is later. (b) As per Sponsors Support undertaking , NTPC shall jointly and severally with the other sponsors provide additional funds to meet all cost overrun incurred/to be incurred in relation to the Project. Further, NTPC shall jointly with the other sponsors, retain 51% of total equity share capital of the JV and management control until the final settlement date of the loan facility (door to door tenure of 15 years).	**751.09**	440.32
Total		**2,904.47**	2,164.50

d) In respect of other investments of ₹ **1.40 crore** (31 March 2019: ₹ 1.40 crore), the Company has restrictions for their disposal as at 31 March 2020 as under:

₹ Crore

Name of the Company	Period of restrictions for disposal of investments as per related agreements	Amount invested as at	
		31 March 2020	31 March 2019
International Coal Ventures Private Ltd.	5 years from the date of incorporation (i.e. 20.05.2009) or till such time an undertaking for non-disposal of such share is given to FI/Banks for their assistance to the Company whichever is later. Also refer Note 7(c).	**1.40**	1.40
Total		**1.40**	1.40

e) The Company has commitments of ₹ **4,487.78 crore** (31 March 2019: ₹ 4,438.76 crore) towards further investment in the subsidiary companies as at 31 March 2020.

f) The Company has commitments of ₹ **2,900.40 crore** (31 March 2019: ₹ 3,504.83 crore) towards further investment in the joint venture entities as at 31 March 2020.

g) The Company has commitments of ₹ **507.79 crore** (31 March 2019: ₹ 507.79 crore) towards further investment in other investments as at 31 March 2020.

h) The Company has commitments of bank guarantee of 0.50 % of total contract price to be undertaken by NTPC-BHEL Power Projects Private Ltd. (a joint venture company) to a cumulative amount of ₹ **75.00 crore** (31 March 2019: ₹ 75.00 crore).

i) The Company has agreed to provide unconditional and irrevocable financial support to NTPC GE Power Services Ltd. (a joint venture company) for meeting financial qualifying requirement for execution of Flue Gas De-sulfurisation (FGD) projects in India. Such support shall be provided by way of Letter of Undertaking to a cumulative exposure up to the award value of the contract(s) not exceeding ₹ 600.00 Crore and cumulative exposure of the Company, in proportion to shareholding, would not exceed ₹ **300.00 Crore** (31 March 2019: ₹ Nil).

j) Company's commitment towards the minimum work programme in respect of oil exploration activities of joint operations has been disclosed in Note 59.

k) Jhabua Power Limited (JPL), having an operational thermal power capacity of 1 x 600 MW was admitted to National Company Law Tribunal (NCLT) on 27 March 2019, and is presently undergoing Corporate Insolvency Resolution Process in NCLT. Invitation for Expression of Interest for submission of Resolution Plan for JPL was published by Resolution Professional on 19 August 2019. Subsequently, The Board of Directors of the Company had accorded in-principle approval for submission of Resolution Plan for acquisition of JPL. Subsequently, the Company has submitted the Resolution Plan to Resolution Professional on due date of 30 December 2019. Resolution Plan is currently under negotiation with Resolution Professional / Committee of Creditors.

l) Company's commitment in respect of lease agreements has been disclosed in Note 66.

70. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

₹ Crore

Particulars	As at 31 March 2020	As at 31 March 2019
A. Amount required to be spent during the year	**252.68**	237.01
B. Amount spent during the year on:		
a) Construction/acquisition of any asset	**1.13**	4.01
b) On purposes other than (a) above	**303.79**	281.45
Total	**304.92**	285.46

i) Amount spent during the year ended 31 March 2020:

₹ Crore

Particulars	In cash	Yet to be paid in cash	Total
a) Construction/acquisition of any asset	**1.10**	**0.03**	**1.13**
b) On purposes other than (a) above	**294.30**	**9.49**	**303.79**

ii) Amount spent during the year ended 31 March 2019:

₹ Crore

Particulars	In cash	Yet to be paid in cash	Total
a) Construction/acquisition of any asset	3.91	0.10	4.01
b) On purposes other than (a) above	268.57	12.88	281.45

C. Break-up of the CSR expenses under major heads is as under:

₹ Crore

Particulars	**As at 31 March 2020**	As at 31 March 2019
1. Eradicating Hunger and Poverty, Health Care and Sanitation	**47.83**	70.10
2. Education and Skill Development	**124.57**	132.03
3. Empowerment of Women and other Economically Backward Sections	**1.53**	1.55
4. Environmental Sustainability	**73.20**	42.51
5. Art & Culture	**2.36**	0.85
6. Sports	**2.51**	3.61
7. Rural Development	**40.02**	34.81
8. Disaster management, including relief, rehabilitation and reconstruction activities	**12.90**	-
Total	**304.92**	285.46

For and on behalf of the Board of Directors

(Nandini Sarkar)
Company Secretary

(A.K. Gautam)
Director (Finance)
DIN: 08293632

(Gurdeep Singh)
Chairman & Managing Director
DIN: 00307037

These are the notes referred to in Balance Sheet and Statement of Profit and Loss

For S.K. Mehta & Co.
Chartered Accountants
Firm Reg. No.000478N

(Rohit Mehta)
Partner
M No. 091382

For S.N.Dhawan & Co LLP
Chartered Accountants
Firm Reg. No. 000050N/N500045

(S.K.Khattar)
Partner
M No.084993

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

(P.R.Prasanna Varma)
Partner
M No.025854
Place: Chennai

For Parakh & Co.
Chartered Accountants
Firm Reg. No. 001475C

(Thalendra Sharma)
Partner
M No.079236
Place:Jaipur

For C.K. Prusty & Associates
Chartered Accountants
Firm Reg. No. 323220E

(C.K.Prusty)
Partner
M No. 057318
Place: Bhubaneshwar

For B.C. Jain & Co.
Chartered Accountants
Firm Reg. No. 001099C

(Ranjeet Singh)
Partner
M.No.073488
Place: Kanpur

For V.K. Jindal & Co
Chartered Accountants
Firm Reg. No. 001468C

(Suresh Agarwal)
Partner
M.No.072534
Place: Hazaribagh

Place : New Delhi
Dated : 27 June 2020

Digitally signed by signatory