Independent Auditor's Report

To the Members of
The Tata Power Company Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of The Tata Power Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Management's assessment of appropriateness of Going Concern assumption *(as described in Note 43.4.3 of the standalone Ind AS financial statements)*	
The Company has current liabilities of ₹ 14,472.74 crores and current assets of ₹ 7,095.60 crores as at March 31, 2022. Current liabilities exceed current assets as at the year end. Given the nature of its business i.e. contracted long term power supply agreements and a significant composition of cost plus contracts leading to significant stability of cashflows and profitability, management is confident of refinancing and consider the liquidity risk as low and accordingly, the Company uses significant short term borrowings to reduce its borrowing costs. Management has made an assessment of the Company's ability to continue as a Going Concern as required by Ind AS 1 Presentation of Financial Statements considering all the available information and has concluded that the going concern basis of accounting is appropriate. Going Concern assessment has been identified as a key audit matter considering the significant judgements and estimates involved in the assessment and its dependence upon management's ability to complete the planned divestments, raising long term capital and / or successful refinancing of certain current financial obligations.	Our procedures included the following: • Obtaining an understanding of the process which includes approval of annual business plan, raising short term borrowings and review of MIS; and testing the internal controls associated with the management's assessment of Going Concern assumption. • Discussing with management and assessing the assumptions, judgements and estimates used in developing business plan and cash flow projections having regards to past performance and current emerging business trends affecting the business and industry. • Assessing the Company's ability to refinance its short term obligation based on the past trends, credit ratings, analysis of solvency and liquidity ratios and ability to generate cash flows and access to capital. • Assessing the adequacy of the disclosures in the standalone Ind AS financial statements.

Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
Revenue recognition and accrual of regulatory deferrals *(as described in Note 19 and Note 31 of the standalone Ind AS financial statements)*	
In the regulated generation, transmission and distribution business of the Company, tariff is determined by the regulator on cost plus return on equity basis wherein the cost is subject to prudential norms. The Company invoices its customers on the basis of pre-approved tariff which is based on budget and is subject to true up. The Company recognizes revenue as the amount invoiced to customers based on pre-approved tariff rates agreed with regulator. As the Company is entitled to a fixed return on equity, the difference between the revenue recognized and entitlement as per the regulation is recognized as regulatory assets / liabilities. The Company has recognized ₹ 1,368.05 crores for generation and transmission business and ₹ 725.92 crores for distribution business as accruals as at March 31, 2022. Accruals are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. Further the costs incurred are subject to prudential checks and prescribed norms. Significant judgements are made in determining the accruals including interpretation of tariff regulations. Further certain disallowances of claims have been litigated by the Company which are in various stages of dispute. **Mundra power plant:** The Company sells power to customers in accordance with the long-term Power Purchase Agreement (PPA) entered into with them. As per the PPA, the Company's entitlement to capacity revenue is dependent on availability declared. Accordingly, the Company accrues capacity revenue based on the actual declared capacity. As per PPA, Company is required to pay compensation to customers in case the declared capacity is lower than the minimum capacity to be declared as per PPA. Based on the actual capacity declared, management has recognized an amount of ₹ 509.55 crores as a reduction in revenue which includes ₹ 123.27 crores relating to earlier years and compensation towards lower annual availability. Also, Company is in discussion to amend certain terms of PPA with one of the customers. The discussions are at very advanced stage and agreement is reached except few items. for which discussions are ongoing and accordingly the SPPA is yet to be signed and approved. To ensure continuous supply of power, customer has requested the Company to continue supplying power based on the proposed amendments which will be effective January 1, 2022. Accordingly, based on the legal opinion obtained, the differential revenue of ₹ 324.00 crores has been recognized on the basis of the current agreed draft of SPPA. Revenue recognition and accrual of regulatory deferrals is a key audit matter considering the significance of the amount, interpretation of clauses in PPA and tariff regulations and significant judgements involved in the determination of revenue and regulatory accruals.	Our procedures included the following: • Read the Company's accounting policies with respect to revenue recognition and accrual of regulatory deferrals and assessing its compliance with Ind AS 114 "Regulatory Deferral Accounts" and Ind AS 115 "Revenue from Contract with Customers". • Performing test of controls over revenue recognition and accrual of regulatory deferrals through inspection of evidence of performance of these controls. • Performing substantive audit procedures including: o Read the executed PPAs with the customer, tariff regulations and tariff orders and evaluating relevant clauses to understand management's assessment of the Company's right vis-a-vis the customers. o Evaluating the key assumptions used by the Company by comparing it with prior years, past precedents and the legal opinion obtained by the management. o Considering the independence, objectivity and competence of management's expert. o Assessing management's evaluation of the likely outcome of the key disputes based on past precedents and / or advice of management's expert. o Assessing the impact recognized by the Company in respect of tariff orders received, revenue adjustment on account of actual declared capacity and revenue recognized based on ongoing discussion in relation to proposed amendments in PPA. o Reading the legal opinion obtained by the management for assessing the Company's right with respect to power supply to customer for the period wherein terms of PPA are under discussion. o Assessing the disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts" and Ind AS 115 "Revenue from Contract with Customers".

Key audit matters	How our audit addressed the key audit matter
Recognition and Measurement of Deferred Tax *(as described in Note 36 of the standalone Ind AS financial statements)*	
The Company has recognized deferred tax assets of ₹ 100 crores on unabsorbed depreciation. During the year, National Company Law Tribunal ('NCLT') has approved the composite scheme of arrangement between the Company and Coastal Gujarat Power Limited ('CGPL') with the Appointed date as April 1, 2020. Accordingly, the Company has reassessed tax provisions recognized by the Company since the effective date of merger and recoverability of unabsorbed depreciation and brought forward business lossess of CGPL available for utilization against Company's future profit. Basis the assessment, Company has reversed the tax provision amounting to ₹ 105.11 crores and has recognized the deferred tax assets on unabsorbed depreciation amounting to ₹ 968.56 crores in the statement of profit and loss. The recognition and measurement of deferred tax balances; is a key audit matter considering the significance of the amount, judgement involved in assessing the recoverability of such tax credits, estimation of the financial projections for utilization of unabsorbed depreciation and judgements involved in the interpretation of tax regulations and tax positions adopted by the Company.	Our procedures included the following: • Read Company's accounting policies with respect to recognition and measurement of tax balances in accordance with Ind AS 12 "Income Taxes" • Performing test of controls over recognition and measurement of tax balances through inspection of evidence of performance of these controls. • Performing substantive audit procedures including: o Involving tax specialists who evaluates the Company's tax positions basis the tax law and also by comparing it with prior years and past precedents o Discussing the future business plans and financial projections with the management o Assessing the management's long-term financial projections and the key assumptions used in the projections by comparing it to the approved business plan and projections used for impairment assessment where applicable. • Assessing the disclosures in accordance with the requirements of Ind AS 12 "Income Taxes".
Impairment of assets *(as described in Note 5a, 5b and 5c of the standalone Ind AS financial statements)*	
At the end of every reporting period, the Company assesses whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or CGU. The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections. The Company is carrying impairment provision amounting to ₹ 310.94 crores with respect to Mundra CGU (comprising of Mundra power plant, investment in companies owning coal mines and related infrastructure), ₹ 552.91 crores for investment in Company owning hydro power plant in Georgia and ₹ 100 crores with respect to a generating unit in Trombay. During the year, as the indication exists, the Company has reassessed its impairment assessment with respect to the specified CGUs and has recognized additional impairment provision of ₹ 106.82 crores towards investment in Company owning hydro power plant in Georgia. Impairment of assets is a key audit matter considering the significance of the carrying value, estimations and the significant judgements involved in the impairment assessment including projected generation, coal prices, exchange rate, energy prices post power purchase agreement period and weighted average cost of capital.	Our procedures included the following: • Read the Company's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets" • Performing test of controls over key financial controls related to accounting, valuation and recoverability of assets through inspection of evidence. • Performing substantive audit procedures including: o Obtaining the management's impairment assessment o Evaluating the key assumptions including projected generation, coal prices, exchange rate, energy prices post power purchase agreement period and weighted average cost of capital by comparing them with prior years and external data, where available. o Obtaining and evaluating the sensitivity analysis • Assessing the disclosures in accordance with the requirements of Ind AS 36 "Impairment of assets".

Independent Auditor's Report

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 11 and Note 25 to the standalone Ind AS financial statements;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

   iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 9 to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Independent Auditor's Report

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 21 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 22112773AINAVY3679

Place of Signature: Mumbai
Date: May 6, 2022

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: The Tata Power Company Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(i) (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 5a and note 18a to the standalone Ind AS financial statements are held in the name of the Company except 2 number of immovable properties as indicated in the below mentioned cases as at March 31, 2022 for which title deeds are not in name of the Company.

Description of Property	Gross carrying value (₹ in crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Land at Dehrand*	225.65	Maharashtra Industrial Development Corporation	No	Since 2015 till date	The land was acquired from MIDC; which the Company is now in process of selling it back to MIDC. Hence, not transferred in the name of the Company.
Land at Mundra – 0.51 hectors	0.09	Sushilaba Fatehsinh Zala	No	Since 2009 till date	It is an agricultural land which is not converted to non - agricultural land and hence tittle deed is not registered in name of the Company

* Asset classified as held for sale

Certain title deeds of the immovable Properties, in the nature of freehold land & buildings, as indicated in the below mentioned cases which were acquired pursuant to a Composite Scheme of Arrangement of merger between Coastal Gujarat Power Limited and The Tata Power Company Limited approved by National Company Law Tribunal's (NCLT) Order dated March 31, 2022, and Scheme of Amalgamation of Chemical Terminal Trombay Limited and The Tata Power Company Limited approved by NCLT order dated July 27, 2017, are not individually held in the name of the Company as on March 31, 2022.

Description of Property	Gross carrying value (₹ in crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Land of erstwhile Chemical Terminal Trombay Ltd.	0.88	Chemical Terminal Trombay Ltd.(CTTL)	No	2014 to till date	Land is in name of erstwhile company.
Land and Building of Mundra power plant	872.70	Coastal Gujarat Power Limited (a wholly owned subsidiary)	No	Since April 1, 2020 till date	Land and Building are in name of erstwhile company

(i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(ii) (b) As disclosed in Note 29 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are generally in agreement with the books of accounts of the Company except as follows:

Quarter ended	Value per books of account	Value per quarterly return / statement	Discrepancy (give details)
June 30, 2021	Nil	₹ 625 crores	Unapproved regulatory asset disclosed as Approved*
September 30, 2021	Nil	₹ 709 crores	Unapproved regulatory asset disclosed as Approved*
December 31, 2021	Nil	₹ 677 crores	Unapproved regulatory asset disclosed as Approved*
March 31, 2022	Nil	₹ 867 crores	Unapproved regulatory asset disclosed as Approved*
December 31, 2021	₹ 1,920 crores	₹ 1,964 crores	Excess debtors reported by ₹ 44 crores#

*While submitting the quarterly statements for all four quarters during the year, the Company inadvertently included and disclosed unapproved regulatory balances as approved. However, subsequent to year end, the Company has communicated to Bank about the said discrepancy. Further, Bank has confirmed that the intention was not to exclude unapproved balances from the receivable and has initiated the process to change the sanction letter wherein total regulatory asset balance should be considered as receivables for the purpose of sanction limit.

#Subsequent to year end, Company has submitted the revised statement for quarter ended December 2021 and receivable balances as per revised statement are in agreement with the books of accounts.

(iii) (a) During the year the Company has provided loans and stood guarantee to the companies as follows:

(₹ in crores)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted / provided during the year				
- Wholly owned Subsidiaries	655.57	Nil	5,038.07	Nil
Balance outstanding as at balance sheet date in respect of above cases				
- Wholly owned Subsidiaries	6,337.57	Nil	1,778.48	Nil

(iii) (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies are not prejudicial to the Company's interest.

(iii) (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(iii) (e) The Company had granted loans to companies which had fallen due during the year and Company had extended / granted fresh loans during the year to the respective parties to settle the dues of the existing loans.

The aggregate amount of such dues extended / settled by fresh loans and the percentage of the aggregate to the total loans granted during the year are as follows:

(₹ in crores)

Name of Parties (Wholly Owned Subsidiaries)	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans
TP Renewable Microgrid Limited	39.11
TP Ajmer Distribution Limited	95.00
Tata Power Green Energy Limited	29.55
Tata Power Solar Systems Limited	300.00
Tata Power Renewable Energy Limited	625.00
TP Kirnali Solar Limited	24.70
TP Saurya Limited	4.70
TP Solapur Limited	33.00
Chirasthayee Saurya Limited	255.00
TP Kirnali Limited	4.00
Tata Power Trading Company Ltd	10.00
Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year	**28.19%**

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation of Electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in crores)	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Customs Duty	34.43	2011-12 and 2012-13	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)
		0.31	2004-05 and 2005-06	CESTAT
		23.87*	2011-12 and 2012-13	Supreme Court

Name of the statute	Nature of the dues	Amount (₹ in crores)	Period to which the amount relates	Forum where the dispute is pending
The Water (Prevention & Control of Pollution) Cess Act 1977	Cess	1.13	2009-10	Chairman, Maharashtra Pollution Control Board (MPCB)
Income Tax Act, 1961	Income Tax	0.20	2009-10	Commissioner of Income Tax (Appeals)
		65.08	2010-11	Supreme Court
		0.09	2014-15	Income Tax Appellate Tribunal
		105.77	2018-19	Commissioner of Income Tax (Appeals)
	Tax deducted at source ("TDS")	40.15#	2016-17	Commissioner of Income Tax (Appeals)
The Finance Act, 1994	Service Tax	375.29	July 2012 to June 2017	High Court
		5.86	2011-12 to 2014-15	CESTAT
		0.25	2007-08	Joint Commissioner (appeal)
Green Cess Act, 2011	Green Cess	464.89	2011-12 to 2021-22	Supreme Court
Mumbai Municipal Corporation Act, 1888	Property Tax	0.89	2015-16	Supreme Court

* net of amount paid under protest of ₹ 52.45 crores for Custom Duty

net of amount paid under protest of ₹ 10.04 crores for TDS liability

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix) (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) Term loans were applied for the purpose for which the loans were obtained.

(ix) (d) On an overall examination of the standalone Ind AS financial statements of the Company, the Company has used funds raised on short-term basis in the form of short-term loans, cash credits from Banks, commercial papers, Inter Corporate Deposits and other financial liabilities aggregating to ₹ 4,066.03 crore for long-term purposes.

(ix) (e) On an overall examination of the standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi) (d) The Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 44 to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35 to the financial statements

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 35 to the financial statements.

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

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 22112773AINAVY3679

Place of Signature: Mumbai
Date: May 6, 2022

Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of The Tata Power Company Limited

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

We have audited the internal financial controls with reference to standalone Ind AS financial statements of The Tata Power Company Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 22112773AINAVY3679

Place of Signature: Mumbai
Date: May 6, 2022

Standalone Balance Sheet

as at March 31, 2022

	Notes	Page	As at March 31, 2022	As at* March 31, 2021
			₹ crore	₹ crore
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipments	5a	244	20,874.79	21,602.44
(b) Right of Use Assets	5b	248	2,833.74	2,830.91
(c) Capital Work-in-Progress	6	251	965.15	322.43
(d) Intangible Assets	5c	249	37.43	60.97
(e) Financial Assets				
(i) Investments	7	252	10,711.38	9,961.60
(ii) Loans	9	258	453.17	454.28
(iii) Finance Lease Receivables	10	260	520.91	529.57
(iv) Other Financial Assets	11	261	97.30	657.86
(f) Deferred Tax Asset	26	280	250.00	Nil
(g) Non-Current Tax Assets (Net)	12	262	338.00	144.00
(h) Other Non-Current Assets	13	263	1,649.45	1,342.29
Total Non-Current Assets			**38,731.32**	**37,906.35**
Current Assets				
(a) Inventories	14	264	2,292.33	1,181.40
(b) Financial Assets				
(i) Investments	15	264	67.60	246.49
(ii) Trade Receivables	8	256	1,026.65	1,579.87
(iii) Unbilled Revenue			58.86	75.37
(iv) Cash and Cash Equivalents	16	265	57.36	364.13
(v) Bank Balances other than (iv) above	17	266	21.19	19.00
(vi) Loans	9	258	1,328.48	1,336.41
(vii) Finance Lease Receivables	10	260	42.61	36.52
(viii)Other Financial Assets	11	261	1,987.03	147.53
(c) Other Current Assets	13	263	213.49	192.24
Total Current Assets			**7,095.60**	**5,178.96**
Assets Classified as Held For Sale	18a	266	600.56	796.73
Total Assets before Regulatory Deferral Account			**46,427.48**	**43,882.04**
Regulatory Deferral Account - Assets	19	268	725.92	573.60
TOTAL ASSETS			**47,153.40**	**44,455.64**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	20a	270	319.56	319.56
(b) Unsecured Perpetual Securities	20b	271	Nil	1,500.00
(c) Other Equity	21	271	10,560.24	8,058.51
Total Equity			**10,879.80**	**9,878.07**

Standalone Balance Sheet

as at March 31, 2022 (Contd.)

	Notes	Page	As at March 31, 2022	As at* March 31, 2021
			₹ crore	₹ crore
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	274	18,087.97	16,583.06
(ia) Lease Liabilities	23	277	2,555.11	2,460.38
(ii) Other Financial Liabilities	25	280	13.07	12.08
(b) Deferred Tax Liabilities (Net)	26	281	Nil	135.43
(c) Provisions	27	281	274.00	274.73
(d) Other Non-Current Liabilities	28	288	757.15	667.27
Total Non-Current Liabilities			**21,687.30**	**20,132.95**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	29	289	6,620.41	7,878.24
(ia) Lease Liabilities	23	277	303.76	288.66
(ii) Trade Payables				
(a) Total outstanding dues of micro enterprises and small enterprises	24	279	39.16	18.54
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises	24	279	4,040.73	3,263.93
(iii) Other Financial Liabilities	25	280	2,761.44	2,207.69
(b) Current Tax Liabilities (Net)	30	290	107.67	135.17
(c) Provisions	27	281	44.59	39.07
(d) Other Current Liabilities	28	288	554.98	499.76
Total Current Liabilities			**14,472.74**	**14,331.06**
Liabilities directly associated with Assets Classified as Held For Sale	18b	266	113.56	113.56
Total Liabilities			**36,273.60**	**34,577.57**
TOTAL EQUITY AND LIABILITIES			**47,153.40**	**44,455.64**

See accompanying notes to the Standalone Financial Statements

* Restated (Refer Note 47)

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No.324982E/E300003

per ABHISHEK AGARWAL

Partner

Membership No. 112773

Mumbai, May 6, 2022

For and on behalf of the Board,

PRAVEER SINHA

CEO & Managing Director

DIN 01785164

BANMALI AGRAWALA

Director

DIN 00120029

SANJEEV CHURIWALA

Chief Financial Officer

HANOZ M. MISTRY

Company Secretary

Mumbai, May 6, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

		Notes	Page	For the year ended March 31, 2022	For the year ended* March 31, 2021
				₹ crore	₹ crore
I	Revenue from Operations	31	290	11,107.93	13,169.48
II	Other Income	32	294	2,987.11	1,260.19
III	**Total Income**			**14,095.04**	**14,429.67**
IV	Expenses				
	Cost of Power Purchased			797.64	580.80
	Cost of Fuel			6,569.00	7,842.00
	Transmission Charges			258.84	258.18
	Employee Benefits Expense (net)	33	295	737.59	697.49
	Finance Costs	34	296	2,188.94	2,496.68
	Depreciation and Amortisation Expenses	5d	250	1,134.23	1,234.70
	Other Expenses	35	296	1,197.46	1,069.04
	Total Expenses			**12,883.70**	**14,178.89**
V	**Profit/(Loss) Before Movement in Regulatory Deferral Balance, Exceptional Items and Tax**			**1,211.34**	**250.78**
	Add/(Less): Net Movement in Regulatory Deferral Balances	19	268	91.00	258.00
	Add/(Less): Deferred Tax Recoverable/(Payable)			43.35	41.62
				134.35	**299.62**
VI	**Profit/(Loss) Before Exceptional Items and Tax**			**1,345.69**	**550.40**
	Add/(Less): Exceptional Items				
	Gain on Sale of Investment in Subsidiary	7	252	1,518.93	Nil
	Standby Litigation	40a	304	Nil	(109.29)
	Provision for Impairment of Non Current Investments	7	252	(106.82)	Nil
				1,412.11	(109.29)
VII	**Profit/(Loss) Before Tax from Continuing Operations**			**2,757.80**	**441.11**
VIII	**Tax Expense/(Credit)**	36	298		
	Current Tax			Nil	206.60
	Current Tax in respect of earlier year			(105.11)	Nil
	Deferred Tax			(8.91)	(105.20)
	Deferred Tax in respect of earlier year			(738.56)	Nil
	Deferred tax remeasurement on account of transition to New Tax regime (Net)			359.62	Nil
				(492.96)	**101.40**
IX	**Profit/(Loss) from Continuing Operations**			**3,250.76**	**339.71**
X	**Profit/(Loss) before tax from Discontinued Operations**	18c	267	Nil	(59.84)
	Impairment Loss on Remeasurement at Fair Value	18c	267	(467.83)	(160.00)
XI	**Tax Expense/(Credit) of Discontinued Operations**	36	298		
	Current Tax			Nil	(101.48)
	Deferred Tax			Nil	(72.17)
	Tax Expense/(Credit) of Discontinued Operations			Nil	(173.65)
XII	**Profit/(Loss) from Discontinued Operations**	18c	267	**(467.83)**	**(46.19)**
XIII	**Profit/(Loss) for the year**			**2,782.93**	**293.52**

Standalone Statement of Profit and Loss

for the year ended March 31, 2022 (Contd.)

	Notes	Page	For the year ended March 31, 2022	For the year ended* March 31, 2021
			₹ crore	₹ crore
XIV Other Comprehensive Income/(Expenses) - Continuing Operations				
Add/(Less):				
(i) Items that will not be reclassified to profit or loss				
(a) Remeasurement of Defined Benefit Plans	27	281	9.64	19.06
(b) Equity Instruments classified at FVTOCI			307.12	73.55
(c) Assets Classified as Held For Sale				
- Equity Instruments classified at FVTOCI			Nil	155.87
(ii) Tax relating to items that will not be reclassified to Profit or Loss				
(a) Deferred Tax	36	298	(2.43)	(4.61)
			314.33	**243.87**
XV Other Comprehensive Income/(Expenses) - Discontinued Operations				
Add/(Less):				
(i) Items that will not be reclassified to Profit or Loss			Nil	(0.34)
			Nil	**(0.34)**
XVI Other Comprehensive Income/(Expenses)			**314.33**	**243.53**
XVII Total Comprehensive Income (XIII+ XVI)			**3,097.26**	**537.05**
XVIII Basic and Diluted Earnings Per Equity Share (of ₹ 1/- each) (₹)	41	305		
(i) From Continuing Operations before net movement in regulatory deferral balances			9.76	(0.09)
(ii) From Continuing Operations after net movement in regulatory deferral balances			10.07	0.56
(iii) From Discontinued Operations			(1.46)	(0.15)
(iv) Total Operations after net movement in regulatory deferral balances			8.61	0.41
See accompanying notes to the Standalone Financial Statements				
* Restated (Refer Note 47)				

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No.324982E/E300003

per ABHISHEK AGARWAL

Partner

Membership No. 112773

Mumbai, May 6, 2022

For and on behalf of the Board,

PRAVEER SINHA

CEO & Managing Director

DIN 01785164

BANMALI AGRAWALA

Director

DIN 00120029

SANJEEV CHURIWALA

Chief Financial Officer

HANOZ M. MISTRY

Company Secretary

Mumbai, May 6, 2022

Standalone Cash Flow Statement

for the year ended March 31, 2022

	For the year ended March 31, 2022		For the year ended* March 31, 2021	
	₹ crore		₹ crore	
A. Cash flow from Operating Activities				
Profit/(Loss) before tax from continuing operations		**2,757.80**		**441.11**
Profit/(Loss) before tax from discontinued operations		**(467.83)**		**(219.84)**
Adjustments to reconcile profit before tax to net operating cash flows:				
Depreciation and amortisation expense	1,134.23		1,234.71	
Interest income	(250.36)		(204.19)	
Delayed payment charges	(5.75)		(7.02)	
Dividend income	(2,639.95)		(997.50)	
Finance cost (net of capitalisation)	2,188.94		2,521.59	
(Gain)/Loss on disposal of property, plant and equipment (Net)	10.77		(16.83)	
(Gain)/Loss on sale/fair value of current investment measured at fair value through profit and loss	(8.43)		(23.49)	
(Gain)/Loss on sale of non-current investments	(1,518.93)		Nil	
Guarantee commission from subsidiaries and joint ventures	(25.51)		(21.82)	
Amortisation of service line contributions	(8.64)		(8.25)	
Transfer to statutory consumer reserve	12.57		11.00	
Bad debts	2.27		2.43	
Allowance for doubtful debts and advances (Net)	(10.78)		33.85	
Provision for standby litigation	Nil		109.29	
Provision /(Reversal) of impairment of non-current investments and related obligation	106.82		(8.00)	
Amortisation of Deferred Revenue	40.25		35.13	
Impairment loss on remeasurement at fair value related to discontinued operations	467.83		160.00	
Effect of exchange fluctuation (Net)	(10.07)		(17.02)	
		(514.74)		**2,803.88**
		1,775.23		**3,025.15**
Working Capital adjustments:				
Adjustments for (increase) / decrease in assets:				
Inventory	(1,090.31)		2.14	
Trade receivables	630.39		(111.37)	
Finance lease receivables	26.03		18.83	
Loans - non-current	1.11		1.23	
Other current assets	(21.29)		(236.51)	
Other non-current assets	(266.36)		(150.67)	
Unbilled revenue	(3.70)		(105.79)	
Other financial assets - current	(63.05)		134.90	
Other financial assets - non-current	(7.58)		(8.44)	
Regulatory deferral account - assets	(152.32)		(315.28)	
		(947.08)		**(770.96)**
		828.15		**2,254.19**

Standalone Cash Flow Statement

for the year ended March 31, 2022 (Contd.)

		For the year ended March 31, 2022		For the year ended* March 31, 2021	
			₹ crore		₹ crore
Adjustments for increase / (decrease) in liabilities:					
Trade payables		810.51		164.06	
Other current liabilities		34.71		194.09	
Other non-current liabilities		(0.97)		(2.68)	
Current provisions		15.16		(15.12)	
Non-current provisions		(0.73)		38.08	
Other financial liabilities - current		111.87		781.00	
Other financial liabilities - non current		1.45		0.28	
			972.00		1,159.71
Cash flow from/(used in) operations			1,800.15		3,413.90
Income tax paid (Net of refund received)			(116.40)		(79.89)
Net cash flows from/(used in) Operating Activities	**A**		**1,683.75**		**3,334.01**
B. Cash flow from Investing Activities					
Capital expenditure on property, plant and equipment and other Intangible assets (including capital advances)			(1,186.26)		(1,061.49)
Proceeds from sale of property, plant and equipment (including property, plant and equipment classified as held for sale)			18.01		257.67
Proceeds from sale of Strategic Engineering Division (Net) (Refer Note 18C)			Nil		420.85
Purchase of non current investments			(779.22)		(670.14)
Proceeds from sale of non-current investments			2,130.25		Nil
(Purchase of) / proceeds from sale of current investments (Net)			242.99		(41.00)
Proceeds from sale of renewable assets (Refer Note 5(a)(v))			169.30		Nil
Interest received			186.48		136.59
Delayed payment charges received			5.75		7.02
Loans given			(5,038.07)		(9,283.75)
Loans repaid			4,991.50		8,043.96
Dividend received			819.30		997.50
Guarantee commission received			25.05		18.70
Bank balance not considered as cash and cash equivalents			2.00		(0.01)
Net cash flow from/(used in) Investing Activities	**B**		**1,587.08**		**(1,174.10)**
C. Cash Flow from Financing Activities					
Proceeds from issue of shares			Nil		2,600.00
Repayment of unsecured perpetual securities			(1,500.00)		Nil
Distribution on unsecured perpetual securities			(100.26)		(171.00)
Proceeds from non-current borrowings			4,733.00		5,668.58
Repayment of non-current borrowings			(2,201.68)		(6,312.81)
Proceeds from current borrowings			20,539.62		18,156.18
Repayment of current borrowings			(22,471.00)		(19,719.33)

Standalone Cash Flow Statement

for the year ended March 31, 2022 (Contd.)

		For the year ended March 31, 2022	For the year ended* March 31, 2021
		₹ crore	₹ crore
Interest and other borrowing costs		(1,870.27)	(2,135.62)
Dividends paid		(495.28)	(419.24)
Increase in capital/service line contributions		8.19	5.29
Payment of lease liability		(277.30)	(290.45)
Net Cash Flow from/(used in) Financing Activities	**C**	**(3,634.98)**	**(2,618.40)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(364.15)**	**(458.49)**
Cash and cash equivalents as at April 1 (Opening Balance)		**364.13**	**822.62**
Cash and cash equivalents as at March 31 (Closing Balance)		**(0.02)**	**364.13**

		As at March 31, 2022	As at* March 31, 2021
		₹ crore	₹ crore
Cash and Cash Equivalents include:			
(a) Balances with banks			
In current accounts		57.35	264.13
In deposits accounts (with original maturity of three months or less)		0.01	100.00
(b) Bank overdraft		(57.38)	Nil
Cash and cash equivalents related to continuing operations		**(0.02)**	**364.13**
(a) Balances with banks			
In current accounts		Nil	Nil
In Deposit Accounts (with original maturity of three months or less)		Nil	Nil
(b) Book overdraft		Nil	Nil
Cash and cash equivalents related to discontinued operations		**Nil**	**Nil**
Total of cash and cash equivalents		**(0.02)**	**364.13**

Notes:

The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - statement of cash flows

See accompanying notes to the Standalone Financial Statements

* Restated (Refer Note 47)

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No.324982E/E300003

per ABHISHEK AGARWAL

Partner

Membership No. 112773

Mumbai, May 6, 2022

For and on behalf of the Board,

PRAVEER SINHA

CEO & Managing Director

DIN 01785164

BANMALI AGRAWALA

Director

DIN 00120029

SANJEEV CHURIWALA

Chief Financial Officer

HANOZ M. MISTRY

Company Secretary

Mumbai, May 6, 2022

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity Share Capital

₹ crore

	No. of Shares	Amount
Balance as at April 1, 2020	2,704,773,510	270.50
Issued during the year	490,566,037	49.06
Balance as at March 31, 2021	**319,53,39,547**	**319.56**
Balance as at April 1, 2021	319,53,39,547	319.56
Issued during the year	Nil	Nil
Balance as at March 31, 2022	**319,53,39,547**	**319.56**

B. Unsecured Perpetual Securities

₹ crore

	No. of Securities	Amount
Balance as at April 1, 2020	15,000	1,500.00
Issued during the period	Nil	Nil
Balance as at March 31, 2021	**15,000**	**1,500.00**
Balance as at April 1, 2021	15,000	1,500.00
Repaid during the year	(15,000)	(1,500.00)
Issued during the year	Nil	Nil
Balance as at March 31, 2022	**Nil**	**Nil**

Standalone Statement of Changes in Equity

for the year ended March 31, 2022 (Contd.)

C. Other Equity (Refer Note 21)

₹ crore

Description	Reserves and Surplus								Item of Other Comprehensive Income	Total
	General Reserve	Securities Premium	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reserves	Statutory Reserve	Special Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	
Balance as at April 1, 2020	3,853.98	5,634.98	296.95	1.85	61.66	660.08	Nil	3,027.08	(45.11)	13,491.47
Changes in balance on account of Merger (Refer Note 47)	5.94	12.82	Nil	2.66	4.58	Nil	124.07	(8,118.29)	37.51	(7,930.71)
Capital Re-organisation (Refer Note 47)	(3,859.92)	(5,091.20)	Nil	Nil	Nil	Nil	Nil	8,951.12	Nil	Nil
Restated Balance as at April 1, 2020	**Nil**	**556.60**	**296.95**	**4.51**	**66.24**	**660.08**	**124.07**	**3,859.91**	**(7.60)**	**5,560.76**
Profit/(Loss) for the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	293.52	Nil	293.52
Other Comprehensive Income/(Expenses) for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	14.11	229.42	243.53
Total Comprehensive Income	**Nil**	**556.60**	**296.95**	**4.51**	**66.24**	**660.08**	**124.07**	**4,167.54**	**221.82**	**6,097.81**
Issue of Equity Shares during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dividend paid (including tax on dividend)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(419.24)	Nil	(419.24)
Securities Premium collected during the year	Nil	2,550.94	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2,550.94
Transfer from Retained Earnings to Special Reserve	Nil	Nil	Nil	Nil	Nil	Nil	2.21	(2.21)	Nil	Nil
Distribution on Unsecured Perpetual Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(171.00)	Nil	(171.00)
Balance as at March 31, 2021	**Nil**	**3,107.54**	**296.95**	**4.51**	**66.24**	**660.08**	**126.28**	**3,575.09**	**221.82**	**8,058.51**
Balance as at April 1, 2021	Nil	3,107.54	296.95	4.51	66.24	660.08	126.28	3,575.09	221.82	8,058.51
Profit/(Loss) for the period	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2,782.93	Nil	2,782.93
Other Comprehensive Income/(Expenses) for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	7.21	307.12	314.33
Total Comprehensive Income	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**2,790.14**	**307.12**	**3,097.26**
Share Premium collected during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dividend paid (including tax on dividend)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(495.28)	Nil	(495.28)
Transfer to Retained Earnings (Refer note 21)	Nil	Nil	Nil	Nil	Nil	Nil	(126.28)	126.28	Nil	Nil
Distribution on Unsecured Perpetual Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(100.25)	Nil	(100.25)
Balance as at 31st March, 2022	**Nil**	**3,107.54**	**296.95**	**4.51**	**66.24**	**660.08**	**Nil**	**5,895.98**	**528.94**	**10,560.24**

Notes:

See accompanying notes to the Standalone Financial Statements

* Restated (Refer Note 47)

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No.324982E/E300003

per ABHISHEK AGARWAL

Partner

Membership No. 112773

Mumbai, May 6, 2022

For and on behalf of the Board,

PRAVEER SINHA

CEO & Managing Director

DIN 01785164

BANMALI AGRAWALA

Director

DIN 00120029

SANJEEV CHURIWALA

Chief Financial Officer

HANOZ M. MISTRY

Company Secretary

Mumbai, May 6, 2022

Notes to the Standalone Financial Statements

1. Corporate Information

The Tata Power Company Limited (the 'Company') is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Company is located at Bombay House, 24, Homi Mody Street, Mumbai 400001, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The principal business of the Company is generation, transmission and distribution of electricity.

The Company was amongst the pioneers in generation of electricity in India more than a century ago. The Company has an installed generation capacity of 5,955.55 MW in India and a presence in all the segments of the power sector viz. Generation (thermal, hydro, solar and wind), Transmission and Distribution.

2. Significant Accounting Policies:

2.1 Statement of compliance

The Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (as amended from time to time).

2.2 Basis of preparation and presentation

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

- derivative financial instruments;
- certain financial assets and liabilities measured at fair value (Refer accounting policy regarding financial instruments);
- employee benefit expenses (Refer Note 27 for accounting policy)

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.

The standalone financial statements are presented in Indian Rupees (₹) and all amounts are in Crore unless otherwise stated.

3. Other Significant Accounting Policies

3.1 Foreign Currencies

The functional currency of the Company is Indian Rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or

Notes to the Standalone Financial Statements

3. Other Significant Accounting Policies (Contd.)

- 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 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 the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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

3.3 Onerous contracts

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

3.4 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.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

3.5 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.5.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.5.2 Financial assets at fair value through other comprehensive income (FVTOCI)

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

Notes to the Standalone Financial Statements

3. Other Significant Accounting Policies (Contd.)

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

3.5.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

3.5.4 Investment in subsidiaries, jointly controlled entities and associates

Investment in subsidiaries, jointly controlled entities and associates are measured at cost less impairment as per Ind AS 27 - 'Separate Financial Statements'.

Impairment of investments:

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

3.5.5 Derecognition

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

- the right to receive cash flows from the asset have expired, or
- the Company has transferred its right 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.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.5.6 Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes to the Standalone Financial Statements

3. Other Significant Accounting Policies (Contd.)

3.6 Financial liabilities and equity instruments

3.6.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.6.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3.6.3 Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method or FVTPL. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised 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 amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

3.6.4 Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

3.6.5 Financial guarantee contracts

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

3.7 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately.

3.8 Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Notes to the Standalone Financial Statements

3. Other Significant Accounting Policies (Contd.)

3.9 Offsetting of financial instruments

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

3.10 Dividend distribution to equity shareholders of the Company

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. A corresponding amount is recognised directly in equity.

3.11 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.12 Operating Cycle

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

4. Critical accounting estimates and judgements

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Standalone Financial Statements.

The areas involving critical estimates or judgements are:

Estimations used for impairment of property, plant and equipment of certain cash generating units (CGU) - Note 5a, 5b and 5c

Estimations used for fair value of unquoted securities and impairment of investments - Note 7

Estimation of defined benefit obligation - Note 27

Estimations used for determination of tax expenses and tax balances (including Minimum Alternate Tax credit) - Note 36

Estimates related to accrual of regulatory deferrals and revenue recognition - Note 19 and Note 31

Estimates and judgements related to the assessment of liquidity risk - Note 43.4.3

Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claims against the Company - Note 39

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Standalone Financial Statements

5. Amendments not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022 as below:

(i) Ind AS 103 - Business Combination

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework), issued by the ICAI at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

(ii) Ind AS 16 - Property, Plant and Equipment (PPE)

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing while preparing the asset for its intended use (if any), shall not be recognise in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item PPE. The Company has evaluated the amendment and there is no impact in recognition of its property, plant and equipment on its standalone financial statements

(iii) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

(iv) Ind AS 109 - Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability or to consider as modification of existing financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

5a Property, Plant and Equipments

Accounting Policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Ind AS 23. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipments as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated.

Regulated Assets:

Depreciation on Property, plant and equipments in respect of electricity business of the Company covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates specified in tariff regulation notified by respective state electricity regulatory commission.

Non-Regulated Assets:

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

Notes to the Standalone Financial Statements

5a Property, Plant and Equipments (Contd.)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the Regulated and Non-Regulated assets are as follows:

Type of assets	Useful lives
Hydraulic Works	40 years
Buildings-Plant	5 to 40 years
Buildings-Others	25 to 60 years
Coal Jetty	25 years
Railway Sidings, Roads, Crossings, etc.	5 to 40 years
Plant and Equipments (excluding Computers and Data Processing units)	5 to 40 years
Plant and Equipments (Computers and Data Processing units)	3 years
Transmission Lines, Cable Network, etc.	4 to 40 years
Furniture and Fixtures	5 to 10 years
Office Equipments	5 years
Motor Cars	5 years
Motor Lorries, Launches, Barges etc.	25 to 40 years
Helicopters	25 years

Derecognition

An item of Property, plant and equipments is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipments is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Impairment

Impairment of tangible and intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of tangible and intangible assets are recognised in the Statement of Profit and Loss.

5a Property, Plant and Equipments (Contd.)

A. Owned Assets

₹ crore

Description	Freehold Land (Refer Note vi)	Hydraulic Works	Buildings - Plant (Refer Note vi)	Buildings - Others @ (Refer note vi)	Coal Jetty	Roads, Railway sidings, crossings	Plant and Equipment	Transmission lines and cable network	Furniture and Fixtures	Office Equipment	Motor Vehicles, Launches, Barges	Helicopters	Total
Cost													
Balance as at April 1, 2021	355.40	545.29	1,575.75	481.99	106.10	96.75	27,079.10	3,781.94	80.75	31.49	44.73	35.30	34,214.59
Additions	0.07	18.91	40.60	1.13	Nil	2.09	523.91	258.71	2.72	2.34	0.48	Nil	850.96
Disposals (Refer Note v below)	(31.67)	Nil	(1.37)	(0.63)	Nil	(7.32)	(2,056.81)	(17.42)	(2.71)	(1.32)	(8.50)	Nil	(2,127.75)
Reclassified from asset held for sale (Refer Note 18a(ii))	Nil	Nil	Nil	18.16	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	18.16
Balance as at March 31, 2022	**323.80**	**564.20**	**1,614.98**	**500.65**	**106.10**	**91.52**	**25,546.20**	**4,023.23**	**80.76**	**32.51**	**36.71**	**35.30**	**32,955.96**
Accumulated depreciation and impairment (Refer Note i below)													
Balance as at April 1, 2021	Nil	316.25	457.77	180.82	67.21	72.09	9,877.91	1,487.58	60.75	22.95	37.07	31.75	12,612.15
Depreciation Expense	Nil	10.97	47.29	17.71	5.60	1.04	751.60	169.89	4.47	1.50	2.36	0.01	1,012.44
Disposal of assets (Refer Note v below)	Nil	Nil	(1.24)	(0.28)	Nil	(5.65)	(1,522.23)	(12.78)	(2.58)	(1.27)	(7.53)	Nil	(1,553.56)
Reclassified from asset held for sale (Refer Note 18a(ii))	Nil	Nil	Nil	10.14	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	10.14
Balance as at March 31, 2022	**Nil**	**327.22**	**503.82**	**208.39**	**72.81**	**67.48**	**9,107.28**	**1,644.69**	**62.64**	**23.18**	**31.90**	**31.76**	**12,081.17**
Net carrying amount													
As at March 31, 2022	**323.80**	**236.98**	**1,111.16**	**292.26**	**33.29**	**24.04**	**16,438.92**	**2,378.54**	**18.12**	**9.33**	**4.81**	**3.54**	**20,874.79**

₹ crore

Description	Freehold Land (Refer Note vi)	Hydraulic Works	Buildings - Plant (Refer Note vi)	Buildings - Others @ (Refer note vi)	Coal Jetty	Roads, Railway sidings, crossings	Plant and Equipment	Transmission lines and cable network	Furniture and Fixtures	Office Equipment	Motor Vehicles, Launches, Barges	Helicopters	Total
Cost													
Balance as at 1st April, 2020	117.25	536.37	1,001.07	240.38	106.10	46.76	9,896.78	3,413.96	61.79	25.88	36.19	35.30	15,517.83
Adjustments on account of merger (Refer Note 47)	164.72	Nil	461.20	241.40	Nil	49.99	16,858.43	0.60	19.58	5.88	17.63	Nil	17,819.43
Additions	73.43	9.35	114.94	1.23	Nil	Nil	389.96	371.44	1.51	2.72	1.36	Nil	965.94
Disposals	Nil	(0.43)	(1.46)	(1.02)	Nil	Nil	(66.07)	(4.06)	(2.13)	(2.99)	(10.45)	Nil	(88.61)
Balance as at March 31, 2021	**355.40**	**545.29**	**1,575.75**	**481.99**	**106.10**	**96.75**	**27,079.10**	**3,781.94**	**80.75**	**31.49**	**44.73**	**35.30**	**34,214.59**
Accumulated depreciation and impairment (Refer Note i below)													
Balance as at 1st April, 2020	Nil	306.23	297.56	101.84	61.61	24.74	5,684.76	1,336.41	40.50	22.58	28.40	31.73	7,936.36
Adjustments on account of merger (Refer Note 47)	Nil	Nil	115.88	63.50	Nil	46.00	3,396.89	0.27	17.17	1.98	14.48	Nil	3,656.17
Depreciation Expense - Continuing Operations	Nil	10.33	45.00	16.49	5.60	1.35	854.31	154.08	4.91	1.21	3.61	0.02	1,096.91
Disposal of assets	Nil	(0.31)	(0.67)	(1.01)	Nil	Nil	(58.05)	(3.18)	(1.83)	(2.82)	(9.42)	Nil	(77.29)
Balance as at March 31, 2021	**Nil**	**316.25**	**457.77**	**180.82**	**67.21**	**72.09**	**9,877.91**	**1,487.58**	**60.75**	**22.95**	**37.07**	**31.75**	**12,612.15**
Net carrying amount													
As at March 31, 2021	**355.40**	**229.04**	**1,117.98**	**301.17**	**38.89**	**24.66**	**17,201.19**	**2,294.36**	**20.00**	**8.54**	**7.66**	**3.55**	**21,602.44**

@ Buildings include cost of ordinary shares in co-operative housing societies.

Notes:

i. The Company had in accordance with Ind AS 36 – "Impairment of Assets", carried out impairment assessment of its assets of Mundra Ultra Mega Power Project (UMPP), along with investments in Indonesian mining companies PT Kaltim Prima Coal (KPC) and PT Baramulti Suksessarana TBK (BSSR) through intermediate holding companies (associates operating coal mines in Indonesia and supplying coal to Mundra plant for UMPP).

Notes to the Standalone Financial Statements

5a Property, Plant and Equipments (Contd.)

All these companies and assets of UMPP constitute a single cash generating unit (CGU) and form part of same segment due to interdependency of cash flows. There are significant losses being incurred in UMPP on account of significant increase in coal prices due to change in Indonesian laws which is offset by the profits earned by the mining companies.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. For Mundra power plant, future cash flows is estimated based on remaining period of long term power purchase agreement (PPA) and thereafter based on management's estimate on tariff and other assumptions. Further as discussed in note no.31 to the financial statements, the Supplementary Power Purchase Agreement (SPPA) is likely to be signed and approved; and accordingly the same has been considered in estimating the cashflows. Cash flow projection of mines are derived based on estimated coal production considering renewed license for operating the mines. The license for operating mines are renewed for a period of 10 years with an option of renewal of further period of 10 years with Government of Indonesia. In the past, the Company had recognised an impairment provision of ₹311 crore in CGU.

A reassessment of the assumptions used in estimating the impact of impairment of the cash generating unit (CGU) comprising of UMPP and the Indonesian coal mines, combined with the significant impact of unwinding of a year's discount on the cash flows, would have resulted in a reversal of ₹ 311 crore of provision for impairment. Management believes that the reversal of impairment has not resulted from any significant improvement in the estimated service potential of the concerned CGU; and hence the Company has not effected reversal of impairment. Key assumptions used for value in use calculation include coal prices, energy prices post PPA period, signing of SPPA, discount rates and exchange rates. Short term coal prices and energy prices used in three to five years projections are based on market survey and expert analysis report. Afterwards increase in cost of coal and exchange rates are considered based on long term historical trend. Further the management strongly believes that mining Licenses will be renewed post expiry for further period of 10 years by Government of Indonesia. Discount rate represents the current market assessment of the risk specific to CGU taking into consideration the time value of money. Pre tax discount rate used in the calculation of value in use of Property, plant and equipments in power plant is 9.45% p.a. (March 31, 2021: 10.50% p.a.) and investment in coal mines and related infrastructure companies is 13.44% p.a. (March 31, 2021: 14.11% p.a.).

ii. During the earlier years, the Company had recorded an impairment charge of ₹ 100 crore in respect of Unit 6 generating station (Generation Segment) located at Trombay.

iii. Refer Note 22 for charge created on Property, Plant and Equipment.

iv. Includes gain on fair valuation of land which is not available for distribution ₹ 87.88 crore.

v. Disposal includes sale of renewables assets of ₹ 557.90 crore (Written down value) (forming part of renewable segment) to Tata Power Renewable Energy Limited and Tata Power Green Energy Limited, wholly owned subsidiaries of the Company pursuant to the Business Transfer Agreement as a "going concern" on a slump sale basis effective April 1, 2021.

vi. The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company, except for as shown in table below:

As on March 31, 2021 and 31 March 2022

Description	Relevant line item in the Balance Sheet	Gross carrying value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Land of Chemical Terminal Trombay Ltd.	Freehold Land	0.88	Chemical Terminal Trombay Ltd. (erstwhile subsidiary)	No	Since 2014 till date	Land is acquired by the Company on account of Amalgamation. Land is in name of erstwhile company.
Land and Building at Mundra	Freehold Land, Buildings - Plant and Buildings - Others	872.70	Coastal Gujarat Power Limited (erstwhile subsidiary)	No	Since April 1, 2020 till date (Refer Note 47). Merger order dated March 31, 2022	Land and Building are acquired by the Company on account of merger. Land and Building are in name of erstwhile company.

Notes to the Standalone Financial Statements

5a Property, Plant and Equipments (Contd.)

Description	Relevant line item in the Balance Sheet	Gross carrying value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Land at Dehrand	Land classified as asset held for sale. (Refer Note 18a)	225.65	Maharashtra Industrial Development Corporation (MIDC)	No	Since 2015 till date	The land was acquired from MIDC; which the Company is now in process of selling it back to MIDC. Hence, the Company has not transferred the title deed of the land in its name.
Land at Mundra-0.51 hectare	Freehold Land	0.09	Sushilaba Fatehsinh Zala	No	Since April 1, 2020 till date (Refer Note 47). Merger order dated March 31, 2022	It is an agricultural land which is not converted to non - agricultural land and hence tittle deed is not registered in name of the Company.

5b Right of Use Assets

Accounting Policy

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and Equipment - 2 years
- Port and Intake Channels - 40 years
- Leasehold land including sub surface right - 2 to 40 years

The Company presents right-to-use assets that do not meet the definition of investment property in "Property, plant and equipment".

₹ crore

Description	Leasehold Land, Sub-surface right	Plant and Equipment	Port and Intake Channels	Total
Cost				
Balance as on April 1, 2021	663.10	11.43	2,422.32	3,096.85
Additions	Nil	Nil	111.05	111.05
Deletions*	(4.84)	(11.43)	Nil	(16.27)
Balance as at March 31, 2022	**658.26**	**Nil**	**2,533.37**	**3,191.63**
Accumulated depreciation and impairment				
Balance as on April 1, 2021	107.92	9.14	148.88	265.94
Depreciation Expense	23.69	1.52	77.74	102.95
Deletions *	(0.34)	(10.66)	Nil	(11.00)
Balance as at March 31, 2022	**131.27**	**Nil**	**226.62**	**357.89**
Net carrying amount				
As at March 31, 2022	**526.99**	**Nil**	**2,306.75**	**2,833.74**

* Deletion includes sale of renewables assets of ₹ 4.50 crore (Written down value) (forming part of renewable segment) to Tata Power Renewable Energy Limited and Tata Power Green Energy Limited, wholly owned subsidiaries of the Company pursuant to the Business Transfer Agreement as a "going concern" on a slump sale basis effective April 1, 2021.

Notes to the Standalone Financial Statements

5b Right of Use Assets (Contd.)

₹ crore

Description	Leasehold Land, Sub-surface right	Plant and Equipment	Port and Intake Channels	Total
Cost				
Balance as on 1st April, 2020	420.95	11.43	2,362.55	2,794.93
Adjustments on account of merger (Refer Note 47)	290.87	Nil	Nil	290.87
Additions	Nil	Nil	59.77	59.77
Deletions	(48.72)	Nil	Nil	(48.72)
Balance as at March 31, 2021	**663.10**	**11.43**	**2,422.32**	**3,096.85**
Accumulated depreciation and impairment				
Balance as on 1st April, 2020	35.21	4.57	Nil	39.78
Adjustments on account of merger (Refer Note 47)	63.47	Nil	73.38	136.85
Depreciation Expense	29.20	4.57	75.50	109.27
Deletions	(19.96)	Nil	Nil	(19.96)
Balance as at March 31, 2021	**107.92**	**9.14**	**148.88**	**265.94**
Net carrying amount				
As at March 31, 2021	**555.18**	**2.29**	**2,273.44**	**2,830.91**

5c Intangible Assets

Accounting Policy

Intangible Assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated Intangible Assets

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Useful lives of Intangible Assets

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Estimated useful lives of the intangible assets are as follows:

Type of assets	Useful lives
Computer softwares	5 years
Copyrights, patents, other intellectual property rights, services and operating rights	5 years
Licences and franchises	5 years

Notes to the Standalone Financial Statements

5c Intangible Assets (Contd.)

₹ crore

Description	Computer softwares $	Copyrights, patents, other intellectual property rights, services and operating rights #	Licences and franchises $	Total
Cost				
Balance as at April 1, 2021	275.93	0.57	Nil	276.50
Additions	3.35	Nil	Nil	3.35
Disposal	(4.33)	Nil	Nil	(4.33)
Balance as at March 31, 2022	**274.95**	**0.57**	**Nil**	**275.52**
Accumulated amortisation and impairment				
Balance as at April 1, 2021	214.98	0.55	Nil	215.53
Amortisation expense	22.97	Nil	Nil	22.97
Disposal	(0.41)	Nil	Nil	(0.41)
Balance as at March 31, 2022	**237.54**	**0.55**	**Nil**	**238.09**
Net carrying amount				
As at March 31, 2022	**37.41**	**0.02**	**Nil**	**37.43**

₹ crore

Description	Computer softwares $	Copyrights, patents, other intellectual property rights, services and operating rights #	Licences and franchises $	Total
Cost				
Balance as at 1st April, 2020	249.79	0.57	0.26	250.62
Adjustments on account of merger (Refer Note 47)	4.16	Nil	Nil	4.16
Additions	22.09	Nil	Nil	22.09
Disposal	(0.11)	Nil	(0.26)	(0.37)
Balance as at March 31, 2021	**275.93**	**0.57**	**Nil**	**276.50**
Accumulated amortisation and impairment				
Balance as at 1st April, 2020	187.64	0.50	0.26	188.40
Adjustments on account of merger (Refer Note 47)	1.55	Nil	Nil	1.55
Amortisation expense	25.90	0.05	Nil	25.95
Disposal	(0.11)	Nil	(0.26)	(0.37)
Balance as at March 31, 2021	**214.98**	**0.55**	**Nil**	**215.53**
Net carrying amount				
As at March 31, 2021	**60.95**	**0.02**	**Nil**	**60.97**

Notes:

Internally generated intangible assets.

$ Other than internally generated intangible assets.

5d Depreciation/Amortisation - Continuing Operations:

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Depreciation on Tangible assets	1,012.44	1,096.91
Depreciation on Right of Use assets	102.95	109.27
Amortisation on Intangible assets	22.97	25.95
Other adjustments (including inventorisation)	(4.13)	2.57
Total	**1,134.23**	**1,234.70**

Notes to the Standalone Financial Statements

6. Capital Work-in-Progress ("CWIP")

Accounting Policy

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

CWIP ageing Schedule as at March 31, 2022

₹ crore

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	848.00	69.68	9.37	38.10	965.15
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	**848.00**	**69.68**	**9.37**	**38.10**	**965.15**

CWIP ageing Schedule as at March 31, 2021

₹ crore

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	220.12	34.52	5.77	52.89	313.30
Projects temporarily suspended	Nil	0.02	0.04	9.07	9.13
Total	**220.12**	**34.54**	**5.81**	**61.96**	**322.43**

CWIP Completion Schedule whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

₹ crore

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Transmission projects:				
220 KV Trombay Dharavi Salsette Lines	Nil	5.87	Nil	Nil
220 KV Receiving Station - Antop Hill	Nil	1.84	Nil	Nil
220 KV Kalwa Salsette Lines	109.49	Nil	Nil	Nil
Others	11.6	0.92	Nil	Nil
Distribution projects	2.69	Nil	Nil	Nil
Generation projects:				
Fuel Gas Desulfurisation project at Mundra plant	Nil	199.09	Nil	Nil
Fuel Gas Desulfurisation project at Jojobera plant	Nil	40.46	Nil	Nil
Projects temporarily suspended	Nil	Nil	Nil	Nil

CWIP Completion Schedule whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2021

₹ crore

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Transmission projects:				
220 KV Trombay Dharavi Salsette Lines	Nil	10.69	Nil	Nil
220 KV Receiving Station - Antop Hill	3.29	Nil	Nil	Nil
Refurbishment of fire fighting system	4.54	Nil	Nil	Nil
Diversion of cables and errection of switching stations for Navi Mumbai International Airport project.	Nil	8.55	Nil	Nil
Others	0.67	5.15	Nil	Nil
Distribution projects	Nil	0.12	Nil	Nil
Generation projects:				
Fuel Gas Desulfurisation project at Mundra plant	Nil	Nil	6.06	Nil
Projects temporarily suspended	Nil	Nil	Nil	9.13

Notes to the Standalone Financial Statements

7. Non-Current Investments

	As at March 31, 2022 Quantity	As at March 31, 2021 Quantity	Face Value (in ₹ unless stated otherwise)	As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
I Investments carried at cost less accumulated impairment, if any					
(A) Investment in Subsidiaries					
(i) Investment in Equity Shares fully paid-up					
Quoted					
Nelco Ltd.	1,14,18,090	1,14,18,090	10	14.02	14.02
				14.02	**14.02**
Unquoted					
Tata Power Trading Co. Ltd.	1,60,00,000	1,60,00,000	10	37.09	37.09
Maithon Power Ltd.	111,65,99,120	111,65,99,120	10	1,116.83	1,116.83
Bhira Investments Pte. Ltd. [Refer Note 5(a)(i)]	10,00,000	10,00,000	USD 1	4.10	4.10
Bhivpuri Investments Ltd. [Refer Note 5(a)(i)]	7,46,250	7,46,250	Euro 1	4.08	4.08
Tata Power Green Energy Ltd.	50,000	50,000	10	0.02	0.02
Khopoli Investments Ltd.	4,70,07,350	4,70,07,350	USD 1	255.20	255.20
Trust Energy Resources Pte. Ltd. (Refer Note x below)	Nil	12,91,53,344	USD 1	Nil	607.95
Tata Power Delhi Distribution Ltd.	53,65,20,000	53,65,20,000	10	200.93	200.93
TP Ajmer Distribution Ltd.	1,00,00,000	1,00,00,000	10	10.00	10.00
Tata Power Jamshedpur Distribution Ltd.	80,50,000	80,50,000	10	8.05	8.05
TP Renewable Microgrid Ltd.	4,01,00,000	4,01,00,000	10	40.10	40.10
TCL Ceramics Ltd.(Refer Note vi below)	Nil	Nil	2	Nil	Nil
Tata Power Renewable Energy Ltd. (Refer Note viii & xiii below)	104,51,07,715	104,51,07,715	10	1,054.03	1,054.03
Tata Power Solar Systems Ltd.	2,29,77,567	2,29,77,567	100	322.98	322.98
Tata Power International Pte. Ltd. [Refer Note 5(a)(i)]	6,77,30,650	6,77,30,650	USD 1	577.55	577.55
TP Central Odisha Distribution Ltd. (Refer Note vii below)	25,70,14,500	15,30,00,000	10	282.96	178.95
TP Southern Odisha Distribution Ltd (Refer Note vii below)	12,64,49,400	10,20,00,000	10	151.97	127.52
TP Western Odisha Distribution Ltd (Refer Note vii below)	18,35,66,646	15,30,00,000	10	285.60	255.04
Supa Windfarm Ltd.	1,10,00,000	1,10,00,000	10	10.95	10.95
TP Kirnali Solar Ltd.	1,15,65,090	1,15,65,090	10	11.57	11.57
TP Solapur Solar Ltd.	1,01,67,748	50,000	10	10.17	0.05
TP Saurya Ltd.	50,000	50,000	10	0.05	0.05
TP Solapur Saurya Ltd	50,000	Nil	10	0.05	Nil
TP Roof Urja Renewable Ltd	50,000	Nil	10	0.05	Nil
TP Akkalkot Renewable Energy Ltd.	95,90,400	50,000	10	9.59	0.05
TP North Odisha Distribution Ltd (Refer Note vii below)	15,04,21,236	Nil	10	214.17	Nil
				4,608.09	**4,823.09**
Less: Impairment in the value of Investments					
Tata Power Jamshedpur Distribution Ltd.				8.05	8.05
Tata Power International Pte. Ltd.(Refer Note xii below)				552.91	446.09
				4,047.13	**4,368.95**

Notes to the Standalone Financial Statements

7. Non-Current Investments (Contd.)

	As at March 31, 2022 Quantity	As at March 31, 2021 Quantity	Face Value (in ₹ unless stated otherwise)	As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
(ii) Investment in Perpetual Securities					
Unquoted					
Tata Power Renewable Energy Ltd. (Refer Note v below)	N.A.	N.A.		3,895.00	3,895.00
TP Renewable Microgrid Ltd. (Refer Note v below)	N.A.	N.A.		56.15	Nil
				3,951.15	**3,895.00**
				8,012.30	**8,277.97**
(B) Investment in Associates					
Investment in Equity Shares fully Paid-up					
Unquoted					
Yashmun Engineers Ltd.	19,200	19,200	100	0.01	0.01
The Associated Building Co. Ltd.	1,400	1,400	900	0.17	0.17
Tata Projects Ltd. (Refer Note ix below)	7,92,78,886	9,67,500	100	658.28	85.01
Dagachhu Hydro Power Corporation Ltd.	10,74,320	10,74,320	Nu 1,000	107.43	107.43
Brihat Trading Private Ltd.	3,350	3,350	10	0.00	0.00
				765.89	**192.62**
(C) Investment in Joint Ventures					
Investment in Equity Shares fully Paid-up					
Unquoted					
Tubed Coal Mines Ltd.	1,01,97,800	1,01,97,800	10	10.20	10.20
Itezhi Tezhi Power Corporation (Refer Note viii below)	Nil	Nil	ZMW 1	Nil*	Nil*
Mandakini Coal Company Ltd. (Refer Note viii below)	3,93,00,000	3,93,00,000	10	39.30	39.30
Powerlinks Transmission Ltd. (Refer Note viii below)	23,86,80,000	23,86,80,000	10	238.68	238.68
Industrial Energy Ltd. (Refer Note viii below)	49,28,40,000	49,28,40,000	10	492.84	492.84
LTH Milcom Pvt. Ltd.	Nil	Nil	10	Nil*	Nil*
Dugar Hydro Power Ltd.	4,34,25,002	4,34,25,002	10	43.42	43.42
				824.44	**824.44**
Less: Impairment in the value of Investments					
Tubed Coal Mines Ltd.				10.20	10.20
Dugar Hydro Power Ltd.				10.00	10.00
Mandakini Coal Company Ltd.				39.30	39.30
				59.50	**59.50**
				764.94	**764.94**
Sub-total I (A) + I (B) + I (C)				**9,543.13**	**9,235.53**
Carried forward…….				9,543.13	9,235.53

Notes to the Standalone Financial Statements

7. Non-Current Investments (Contd.)

	As at March 31, 2022 Quantity	As at March 31, 2021 Quantity	Face Value (in ₹ unless stated otherwise)	As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
Brought forward.....				9,543.13	9,235.53
II Investments designated at Fair Value through Other Comprehensive Income					
Investment in Equity Shares fully Paid-up					
Quoted					
Voltas Ltd.	2,33,420	2,33,420	1	29.07	23.39
Tata Consultancy Services Ltd.	766	766	1	0.29	0.24
Tata Teleservices (Maharashtra) Ltd. (Refer Note xi below)	126,720,193	Nil	10	447.96	Nil*
Bharti Airtel Ltd.	62,919	62,919	10	4.75	3.25
Tata Motors Ltd.	3,57,159	3,57,159	15	15.49	10.78
Tata Motors Ltd. - Differential Voting rights	51,022	51,022	1	1.05	0.65
Tata Investment Corporation Ltd.	7,94,416	7,94,416		107.75	82.26
				606.36	**120.57**
Unquoted					
Tata Services Ltd.	1,664	1,664	1,000	Nil	Nil
Tata Industries Ltd. #	68,28,669	68,28,669	100	115.47	115.47
Tata Sons Pvt. Ltd. #	6,673	6,673	1,000	194.70	194.70
Haldia Petrochemicals Ltd.	2,24,99,999	2,24,99,999	10	56.48	56.48
Tata International Ltd.	36,000	36,000	1,000	58.44	58.44
Tata Teleservices Ltd.	Nil	Nil	10	Nil	Nil
Taj Air Ltd.	7,900,760	7,900,760	10	Nil	Nil
Tata Capital Ltd.	2,333,070	2,333,070	10	12.04	12.04
Others				0.50	0.50
				437.63	**437.63**
				1,043.99	**558.20**
III Investments carried at Amortised Cost					
(A) Investment in Subsidiaries					
(i) Investment in Preference Shares fully Paid-up					
Unquoted					
TCL Ceramics Ltd. (Refer note vi below)	Nil	Nil	100	Nil	Nil
				Nil	**Nil**
(B) Government Securities (Unquoted) fully Paid-up				Nil	3.03
(C) Statutory Investments					
Contingencies Reserve Fund Investments					
Government Securities (Unquoted) fully Paid-up				124.26	164.84
Sub-total III (A) + III (B) +III (C)				**124.26**	**167.87**
Total				**10,711.38**	**9,961.60**

* Refer Asset Held For Sale (Refer Note 18a.)

The cost of these investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

Notes to the Standalone Financial Statements

7. Non-Current Investments (Contd.)

Notes:

i.	Aggregate Market Value of Quoted Investments	3,089.45	335.97
ii.	Aggregate Carrying Value of Quoted Investments [Refer Note 7(xi)]	620.38	134.59
iii.	Aggregate Carrying Value of Unquoted Investments (Net)	10,091.00	9,827.01
iv.	Aggregate amount of impairment in value of Investments	620.46	513.64

v. The Company has invested in unsecured subordinated perpetual securities issued by Tata Power Renewable Energy Ltd and TP Renewable Microgrid Limited, its subsidiary companies. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. The interest can be deferred if the issuer does not pay any dividend on its ordinary shares for the financial year. The issuer has classified this instrument as equity under Ind AS - 32 'Financial Instruments Presentation'. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS - 27 'Separate Financial Statements'.

vi. Pursuant to the Share Purchase Agreement ('Agreement') dated January 4, 2020, in the past the Company had transferred Equity and Preference share of TCL Ceramics Limited ("TCL") to the purchasers as a part of the conditions mentioned in the Agreement subject to final closing. On March 24, 2022, the Company signed an amendment to original share purchase agreement and transferred all the beneficial ownership to the buyer and accordingly TCL ceased to be subsidiary of the Company w.e.f March 24, 2022.

vii. The Company has acquired 51 % stake in TP Central Odisha Distribution Limited ('TPCODL'), TP Western Odisha Distribution Limited ('TPWODL'), TP Southern Odisha Distribution Limited ('TPSODL') and TP Northern Odisha Distribution Limited ('TPNODL). TPCODL, TPWODL, TPSODL and TPNODL are the licensees to carry out the function of distribution and retail supply of electricity covering the distribution circles of Central, Western,Southern Odisha and Northern Odisha for a period of 25 years effective from 1st June, 2020, 1st January, 2021, 1st January, 2021 and 1st April 2021 respectively. Further during the year, the Company has subscribed to the right issue of equity shares offered by TPCODL,TPWODL,TPSODL and TPNODL.

viii. Shares pledged :

The Company has pledged shares of subsidiaries and joint ventures with the lenders for borrowings availed by the respective subsidiaries and joint ventures.

Details	Category	March 31, 2022 Nos.	March 31, 2021 Nos.
Tata Power Renewable Energy Ltd.	Subsidiary	258,114,935	258,114,935
Itezhi Tezhi Power Corporation *	Joint Venture	4,52,500	4,52,500
Mandakini Coal Company Ltd.	Joint Venture	20,043,000	20,043,000
Powerlinks Transmission Ltd.	Joint Venture	238,680,000	238,680,000
Industrial Energy Ltd.	Joint Venture	251,348,400	251,348,400

* Classified as Asset Held For Sale (Refer Note 18a.(iii))

ix. During the year, the Company has subscribed to the right issue of equity shares for ₹ 573.27 crore offered by Tata Projects Limited.

x. During the year, the Company has sold its investment in Trust Energy Resources Pte. Limited, a wholly owned subsidiary of the Company to Tata Power International Pte Limited, another wholly owned subsidiary of the Company for a consideration of ₹2,126.88 crore ($286 million) and recognized a profit amounting to ₹1,518.93 crore in the standalone financial statements.

xi. The Company holds 12.67 crore shares of Tata Teleservices (Maharashtra) Limited (“TTML”) designated as fair value through OCI which is carried out at each balance sheet date basis the quoted price. Quoted price of TTML has increased from ₹ 35.35 per share as on September 30, 2021 to ₹ 166.70 per share as on March 31, 2022. The management believe that this quoted price may not represent the fair value of TTML shares since it has accumulated losses and negative net worth. Accordingly on a conservative basis, the management have not recognized any fair value gain in OCI after September 30, 2021.

Notes to the Standalone Financial Statements

7. Non-Current Investments (Contd.)

xii. The Company holds investments in Adjaristsqali Netherlands B.V. (ABV) (a joint venture of the Company operating 187 MW hydro power plant in Georgia) through intermediate holding company Tata Power International Pte. Ltd. (TPIPL). In the past, the Company, in accordance with Ind AS 36 - 'Impairment of Assets' had recognized impairment provision on investment of ₹ 446.09 crore. Pursuant to the decline in the operational performance of the plant, the Company reassessed the recoverability of the investment and recognized a further provision of ₹ 106.82 crore during the year ended 31st March, 2022.

The Company has performed the recoverability assessment and determined the value in use based on estimated cash flow projections over the life of the assets included in CGU. Projected cash flows include cash flow projections approved by management for 3 years and the cash flows beyond that has been projected based on the long term forecast.

The following key assumptions were used for performing the valuation:

- Tariff post PPA period of 15 years.

- A pre-tax discount rate of 5.94 % was applied;

xiii The Company and Tata Power Renewable Energy Limited ("TPREL"), a wholly owned subsidiary have entered into binding agreements with Green Forest New Energies Bidco Ltd. (UK) ("Investor") wherein Investor has agreed to invest ₹ 4,000 crore (~US$ 525 million) by way of equity and compulsorily convertible instruments in TPREL. Green Forest is a consortium led by BlackRock Real Assets along with Mubadala Investment Company. Further, pursuant to this agreement, Company has also agreed to transfer the Roof top solar business, Electronic Vehicle charging business, 20.95 MW Nivade wind asset, 10 MW Visapur wind asset and investment in equity shares of Tata Power Solar System Limited, TP Saurya Limited, Tata Power Green Energy Limited, TP Kirnali Solar Limited, TP Akkalkot Renewable Limited, TP Solapur Solar Limited, TP Roofurja Limited, Supa Windfarm Limited and TP Solapur Saurya Limited to TPREL for a total consideration of ₹1,200 crore, subject to closing adjustment and necessary approvals.

8. Trade Receivables

(Unsecured unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Current		
Considered Good - Secured (Refer Note (a) below)	247.78	245.75
Considered Good (Refer Note (b) below)	803.15	1,358.41
Credit Impaired	140.23	146.79
	1,191.16	1,750.95
Less: Allowance for Doubtful Trade Receivables	164.51	171.08
Total	**1,026.65**	**1,579.87**

Note:

a Company holds security deposits of ₹ 247.78 crore (March 31, 2021 - ₹ 245.75 crore) in respect of electricity receivables.

b The carrying amount of trade receivable does not include receivables of ₹ 1,150.64 Crore (March 31, 2021: ₹ 188.67 Crore) which are subject to a factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash on non recourse basis. The Company, therefore, has derecognised the said receivables under the said arrangement. Amount received from such customers not transferred to factoring agent is disclosed as financial liability (Refer Note 25).

8 (a) Trade Receivables

As at March 31, 2022, ₹ 628.66 Crore (March 31, 2021 - ₹ 1,001.63 crore) is due from Brihanmumbai Electric Supply & Transport Undertaking, Maharashtra State Electricity Transmission Company Ltd., Maharashtra State Electricity Distribution Company Ltd, Gujarat Urja Vikas Nigam Limited, Haryana Power Generation Corporation Limited and Tata Steel Ltd. which represents Company's large customers who owe more than 5% of the total balance of trade receivables.

Notes to the Standalone Financial Statements

8. Trade Receivables (Contd.)

In the Generation business, the Company supplies power only to a few customers which are State distribution companies and in Transmission business, the Company provides transmission services to Government Company and hence the Company assesses expected credit allowance on case to case basis.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables relating to Distribution business based on a provision matrix.The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing of Receivables	Expected Credit loss (%)	
	As at March 31, 2022	As at March 31, 2021
Within the credit period	0.07%	1.67%
1-90 days past due	2.24%	1.40%
91-182 days past due	23.36%	3.53%
More than 182 days past due	56.44%	35.72%

8 (b) Trade Receivables Ageing schedule as at March 31, 2022

₹ crore

Particulars	Outstanding for following periods from due date of payment #						Total
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
a) Considered good	656.88	270.73	12.79	11.64	6.82	17.96	976.82
b) Significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Credit Impaired	Nil	Nil	0.56	1.26	5.89	17.24	24.95
(ii) Disputed Trade Receivables							
a) Considered good	Nil	1.35	12.80	Nil	Nil	59.96	74.11
b) Significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Credit Impaired	Nil	Nil	Nil	3.00	4.50	107.78	115.28
Total (i) + (ii)	**656.88**	**272.08**	**26.15**	**15.90**	**17.21**	**202.94**	**1,191.16**

Where due date of payment is not available date of transaction has been considered

Trade Receivables Ageing schedule as at March 31, 2021

₹ crore

Particulars	Outstanding for following periods from due date of payment #						Total
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
a) Considered good	986.06	462.50	48.91	16.34	5.30	25.09	1,544.20
b) Significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Credit Impaired	Nil	Nil	0.96	6.01	8.25	16.29	31.51
(ii) Disputed Trade Receivables							
a) Considered good	Nil	Nil	Nil	Nil	Nil	59.96	59.96
b) Significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Credit Impaired	Nil	3.00	Nil	4.50	20.50	87.28	115.28
Total (i) + (ii)	**986.06**	**465.50**	**49.87**	**26.85**	**34.05**	**188.62**	**1,750.95**

Where due date of payment is not available date of transaction has been considered

Notes to the Standalone Financial Statements

8. Trade Receivables (Contd.)

Movement in the allowance for doubtful trade receivables

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Balance at the beginning of the year	171.08	154.99
Add/(Less): Expected credit loss provided/(reversed)	(6.57)	16.09
Balance at the end of the year	**164.51**	**171.08**

The average credit period ranges from 30 days to 60 days. The concentration of credit risk is very limited due to the fact that the large customers are mainly Government entities and remaining customer base is large and widely dispersed and secured with security deposit.

9. Loans

(Unsecured unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-Current - At Amortised Cost		
Loans to Related Parties (Refer note 42)		
Considered Good	450.00	450.00
Credit Impaired	54.38	54.38
	504.38	**504.38**
Less: Allowance for Doubtful Loans	54.38	54.38
	450.00	**450.00**
Other Loans		
Loans to Employees		
Considered Good	3.17	4.28
Total	**453.17**	**454.28**
Current - At Amortised Cost		
Loans to Related Parties (Refer note 42)		
Considered Good	1,328.48	1,336.41
Credit Impaired	Nil	12.00
	1,328.48	1,348.41
Less: Allowance for Doubtful Loans	Nil	12.00
	1,328.48	**1,336.41**
Other Loans		
Credit Impaired	9.50	Nil
	9.50	Nil
Less: Allowances for Doubtful Loans	9.50	Nil
	Nil	**Nil**
Total	**1,328.48**	**1,336.41**

Notes to the Standalone Financial Statements

9. Loans (Contd.)

Disclosure under Regulation 53(f) and 34(3) read together with paragraph A Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Loans and advances in the nature of loans given to Subsidiaries, Joint Ventures and Associates:

₹ crore

Name of the Company	Relationship	Amount Outstanding as at the year end		Maximum Principal Amount Outstanding during the year (excluding interest accrued)	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Chirasthaayee Saurya Ltd.	Subsidiary	Nil	255.00	255.00	255.00
TP Wind Power Limited	Subsidiary	Nil	8.00	8.00	8.00
Industrial Energy Ltd.	Joint Venture	Nil	Nil	Nil	2.60
Mandakini Coal Company Ltd. $	Joint Venture	54.39	54.39	54.39	54.39
Tata Power Green Energy Ltd.	Subsidiary	149.86	29.82	173.16	37.07
Tata Power Renewable Energy Ltd.	Subsidiary	1,000.80	789.60	1,209.15	1,974.50
Tata Power Solar Systems Ltd	Subsidiary	Nil	509.83	1,099.83	586.82
Tata Power Trading Company Ltd.	Subsidiary	Nil	Nil	10.00	30.00
TCL Ceramics Ltd. $ (Ceased to be subsidiary w.e.f March 24, 2022)	Subsidiary	Nil	12.00	12.00	12.00
TP Ajmer Distribution Ltd.	Subsidiary	95.00	95.00	95.00	115.00
TP Kirnali Ltd.	Subsidiary	314.00	4.00	499.00	4.00
TP Kirnali Solar Ltd.	Subsidiary	Nil	24.70	24.70	40.00
TP Renewable Microgrid Ltd.*	Subsidiary	Nil	27.95	54.50	39.74
TP Saurya Ltd.	Subsidiary	195.31	1.00	195.32	1.00
TP Solapur Solar Ltd.	Subsidiary	Nil	33.00	33.00	33.00
Vagarai Windfarm Ltd.	Subsidiary	Nil	8.50	8.50	8.50
Walwhan Renewable Energy Limited	Subsidiary	23.50	Nil	334.35	207.00
		1,832.86	**1,852.79**		
Itezhi Tezhi Power Corporation #	Joint Venture	18.59	18.59	18.59	18.59
Total		**1,851.45**	**1,871.38**		

Notes:

No Loan has been given to related parties which is repayable on demand and without terms of repayment.

$ Provided for.

Reclassified as held for sale (including interest accrued).

* Converted to unsecured non-cumulative perpetual debt.

Notes to the Standalone Financial Statements

9. Loans (Contd.)

During the year, the Company has given loan to its fellow subsidiary company Walwhan Renewable Energy Limited (WREL) which was further given to the subsidiaries of the Company i.e. Tata Power Solar Systems Limited (TPSSL) and Tata Power Green Energy Limited (TPGEL). WREL, TPSSL and TPGEL are registered in India.

Date of loan given to Intermediary	Date of loan given to ultimate beneficiary	Amount (₹ crores)	Details of Intermediary	Details of ultimate beneficiary
May 17, 2021	May 17, 2021	100.00	WREL (CIN U40103MH2009PLC197021, Registered office- The Tata Power Company Limited, Corporate Center B, 34 Sant Tukaram Road, Carnac Bunder, Mumbai, Maharashtra)	TPSSL (CIN U40106MH1989PLC330738, Registered office- The Tata Power Company Limited, Corporate Center B, 34 Sant Tukaram Road, Carnac Bunder, Mumbai, Maharashtra)
May 18, 2021	May 18, 2021	200.00	WREL (CIN U40103MH2009PLC197021, Registered office- The Tata Power Company Limited, Corporate Center B, 34 Sant Tukaram Road, Carnac Bunder, Mumbai, Maharashtra)	TPSSL (CIN U40106MH1989PLC330738, Registered office- The Tata Power Company Limited, Corporate Center B, 34 Sant Tukaram Road, Carnac Bunder, Mumbai, Maharashtra)
June 28, 2021	June 28, 2021	34.35	WREL (CIN U40103MH2009PLC197021, Registered office- The Tata Power Company Limited, Corporate Center B, 34 Sant Tukaram Road, Carnac Bunder, Mumbai, Maharashtra)	TPGEL (CIN U40108MH2011PLC211851, Registered office- B Block, Corporate Center 34, Sant Tukaram Road, Carnac Bunder, Mumbai, Maharashtra)

10. Finance Lease Receivable - At Amortised Cost

(Unsecured unless otherwise stated)

Accounting Policy

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating lease. Amount due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Finance Lease Receivable - Non-current	520.91	529.57
Finance Lease Receivable - Current	42.61	36.52
Total	**563.52**	**566.09**

10.1 Leasing Arrangements

There are two types of leasing arrangement:

a) Generation of Power: The Company has entered into Power Purchase Agreements (PPA) with a customer for its assets located at Jojobera. The assets relate to 30 years of take or pay agreements with the customer to supply electricity at a fixed plus variable charge. The customer, during the term of the PPAs has a right to purchase the assets and at the end of the contract is obligated to purchase the same on the basis of the valuation to be determined as per the PPAs. The Company has recognised an amount of ₹ 77.68 crore as income for finance lease during the year ended March 31, 2022

b) Electric Vehicle charging facilities: The Company has entered into arrangement with customer for providing Infrastructure facilities and chargers for public transport utilities. The arrangement is for the period of 10 years for providing and maintaining infrastructure facility at a fixed charge. The Company has recognised an amount of ₹ 2.13 crore as income for finance lease during the year ended March 31, 2022

Notes to the Standalone Financial Statements

10. Finance Lease Receivable - At Amortised Cost (Contd.)

10.2 Amount receivable under Finance Lease

	Minimum Lease Payments as at March 31, 2022	Minimum Lease Payments as at March 31, 2021
	₹ crore	₹ crore
Less than a year	117.87	113.49
One to two years	113.39	109.62
Two to three years	112.45	108.46
Three to four years	110.65	107.36
Four to five years	108.31	105.56
Total (A)	**562.67**	**544.49**
More than five years (B)	455.33	535.95
Total (A +B)	**1,018.00**	**1,080.44**
Less: Unearned finance income	454.48	514.35
Present Value of Minimum Lease Payments Receivable	**563.52**	**566.09**

Lessor - Operating Lease

The Company has entered into operating leases for its certain building, plant and machinery and other equipment. These typically have lease terms of between 1 and 10 years. The Company has recognized an amount of ₹ 20.01 crore (March 31, 2021 - ₹ 13.60 crore) as rental income for operating lease during the year ended March 31, 2022.

11. Other Financial Assets - At Amortised Cost (Unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-Current		
(i) Security Deposits		
Considered Good	47.79	37.98
Credit Impaired	29.90	32.01
	77.69	69.99
Less: Allowance for Doubtful Deposits	29.90	32.01
	47.79	**37.98**
(ii) Accruals		
Doubtful		
Interest Accrued on Loans to Related Parties	1.24	1.24
	1.24	1.24
Less: Allowance for Doubtful Interest	1.24	1.24
	Nil	**Nil**
(iii) Others		
Unsecured, considered good		
Advance towards Equity (Refer Note 1a, 1b below)	0.12	204.16
Balances with Banks:		
In Deposit Accounts (with remaining maturity of more than twelve months) (Refer Note 2 below)	1.90	0.96
Receivable on sale of Strategic Engineering Division (at fair value through profit or loss) (Refer Note 3 below)	Nil	365.99
Other Assets	47.49	48.77
	49.51	**619.88**
Total	**97.30**	**657.86**

Note:

1a. During the year, pursuant to the vesting order by the Odisha Electricity Regulatory Commission ('OERC') for the completion of sale, the equity shares of North Electricity Supply Utility of Odisha has been issued against the advance of ₹ 191.24 crore which was paid to OERC in the previous year.

Notes to the Standalone Financial Statements

11. Other Financial Assets - At Amortised Cost (Unless otherwise stated) (Contd.)

1b. During the current year, pursuant to the allotment of the equity shares of TP Akkalkot Renewable Energy Ltd. to the Company, the advance of ₹ 12.92 crore has been reclassified to non-current investment.

2. Balances with Banks held as Margin Money Deposits against Guarantees.

3. Previous year includes contingent consideration receivable on sale of Strategic Engineering Division (SED) on achievement of certain milestones. (Refer note 18 (c).

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Current		
(i) Security Deposits		
Considered Good	4.69	5.48
	4.69	**5.48**
(ii) Accruals		
Unsecured, considered good		
Interest Accrued on Inter-corporate/Bank Deposits	0.06	0.64
Interest Accrued on Investments	3.50	3.48
Interest Accrued on Finance Lease Receivable	6.29	6.63
Interest Accrued on Loans to Related Parties	4.61	47.22
Doubtful		
Interest Accrued on Loans to Related Parties	0.55	0.55
Interest Accrued on Inter-corporate Deposits	1.40	1.40
	16.41	59.92
Less: Allowance for Doubtful Interest	1.95	1.95
	14.46	**57.97**
(iii) Others		
Unsecured, considered good		
Recoverable from Consumers	98.68	75.67
Dividend Receivable	1,820.65	Nil
Derivative Contracts	5.06	1.48
Other Receivables	43.49	2.74
Balances with Banks: (Refer Note below)		
In Deposit Accounts (with remaining maturity of less than twelve months)	Nil	4.19
	1,967.88	**84.08**
Total	**1,987.03**	**147.53**

Note:

Balances with Banks held as Margin Money Deposits against Guarantees.

12. Non-Current Tax Assets

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Advance Income-tax (Net)	338.00	144.00
Total	**338.00**	**144.00**

Notes to the Standalone Financial Statements

13. Other Assets

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
(i) Capital Advances		
Unsecured, considered good	148.81	107.59
Doubtful	0.53	0.11
	149.34	107.70
Less: Allowance for Doubtful Advances	0.53	0.11
	148.81	**107.59**
(ii) Balances with Government Authorities		
Unsecured, considered good		
Advances	13.28	12.23
Amount Paid Under Protest	62.82	52.78
VAT/Sales Tax Receivable	6.69	7.81
	82.79	**72.82**
(iii) Others		
Unsecured, considered good		
Prepaid Expenses	9.55	0.82
Recoverable from Consumers	1,408.30	1,161.06
	1,417.85	**1,161.88**
Total	**1,649.45**	**1,342.29**
Current		
(i) Balances with Government Authorities		
Unsecured, considered good		
Advances	8.83	6.83
VAT/Sales Tax Receivable	Nil	7.89
Doubtful	0.37	0.37
	9.20	15.09
Less: Allowance for Doubtful Advances	0.37	0.37
	8.83	**14.72**
(ii) Others		
Unsecured, considered good		
Prepaid Expenses	134.17	93.38
Advances to Vendors	68.15	57.88
Other Advances	2.34	26.26
Doubtful	0.19	0.19
	204.85	177.71
Less: Allowance for Doubtful Advances	0.19	0.19
	204.66	**177.52**
Total	**213.49**	**192.24**

Notes to the Standalone Financial Statements

14. Inventories

Accounting Policy

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on moving weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Inventories		
(a) Fuel	1,257.26	365.55
(b) Fuel-in-Transit	533.40	386.65
(c) Stores and Spares	256.48	240.51
(d) Loose Tools	0.56	0.71
(e) Others		
Property under Development	244.63	187.98
Total	**2,292.33**	**1,181.40**

Notes:

1. Refer Note 22 for Inventories pledged as security for liabilities.
2. During the year ended March 31, 2022, the Company has recognised ₹ 12.01 crore (March 31, 2021 - ₹1.94 crore) as an expense for the write down of fuel and unserviceable stores and spares inventory.

15. Current Investments

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Investments carried at Amortised Cost		
Statutory Investments		
Government Securities (Unquoted)	55.67	Nil
Investments carried at Fair Value through Profit and Loss		
Mutual Funds (Unquoted)	11.93	246.49
Total	**67.60**	**246.49**
Note:		
Aggregate Carrying Value of Unquoted Investments	67.60	246.49

Notes to the Standalone Financial Statements

16. Cash and Cash Equivalents - At Amortised Cost

Accounting Policy

Cash and cash equivalents comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise of cash at banks and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Balances with Banks:		
In Current Accounts	57.35	264.13
In Deposit Accounts (with original maturity three months or less)	0.01	100.00
Cash and Cash Equivalents as per Balance Sheet	**57.36**	**364.13**
Bank Overdraft (Refer Note 29)	(57.38)	Nil
Cash and Cash Equivalents as per Statement of Cash Flows - Continuing Operations	**(0.02)**	**364.13**

Reconciliation of Liabilities from Financing Activities

₹ crore

Particulars	As at April 1, 2021	Cash flows		Transfered alongwith renewable assets (Refer Note 45)	Other Transactions*	As at March 31, 2022
		Proceeds	Repayment			
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	18,740.60	4,733.00	(2,201.68)	Nil	15.07	21,286.99
Current Borrowings (excluding Bank Overdraft)	5,720.70	20,539.62	(22,471.00)	(425.31)	Nil	3,364.01
Lease liabilities	2,749.04	Nil	(277.30)	Nil	387.13	2,858.87
Total	**27,210.34**	**25,272.62**	**(24,949.98)**	**(425.31)**	**402.20**	**27,509.87**

* includes interest on lease liabilities, remeasurement of lease liabilities and amortisation of processing charges on loans

₹ crore

Particulars	As at April 1, 2020	Cash flows		Reclassified as part of Discontinued Operations	Other Transactions	As at March 31, 2021
		Proceeds	Repayment			
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	19,222.81	5,668.58	(6,312.81)	57.83	104.19	18,740.60
Current Borrowings (excluding Bank Overdraft)	7,274.33	18,156.18	(19,719.33)	Nil	9.52	5,720.70
Lease liabilities	2,739.69	Nil	(290.45)	Nil	299.80	2,749.04
Total	**29,236.83**	**23,824.76**	**(26,322.59)**	**57.83**	**413.51**	**27,210.34**

* includes interest on lease liabilities, remeasurement of lease liabilities and amortisation of processing charges on loans

Notes to the Standalone Financial Statements

17. Other Balances with Banks - At Amortised Cost

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
(a) In Deposit Accounts (Refer Note below)	2.00	Nil
(b) In Earmarked Accounts-		
Unpaid Dividend Account	19.19	19.00
Total	**21.19**	**19.00**

Note:

Balances with banks held as margin money deposits against guarantees.

18a Assets Classified as Held For Sale

Accounting Policy

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipments and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss. Additional disclosures are provided hereunder. All other notes to the Standalone financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Land (Refer note i below)	301.58	301.58
Building and Plant and Equipment (Refer note ii below)	0.49	8.67
Investments carried at Fair Value through Other Comprehensive Income (Refer note v below)	Nil	178.68
Investments carried at Cost in Associates and Joint Ventures (Refer note iii below)	275.75	275.75
Loans and other receivables from Joint Venture (Refer note iii below)	22.74	22.74
Transmission Lines - Capital Work in Progress (Refer note iv below)	Nil	9.31
	600.56	**796.73**

Notes:

(i) Following Land has been classified as held for sale:

(a) Land at Tiruldih ₹ 1.43 crore (net of impairment loss of ₹ 34 crore) (March 31, 2021 - ₹ 1.43 crore)

(b) Land at Vadaval ₹ 3.21 crore (March 31, 2021 - ₹ 3.21 crore)

(c) Land at Naraj Marthapur ₹ 81.38 crore (net of impairment loss of ₹ 37 crore) (March 31, 2021 - ₹ 81.38 crore)

Notes to the Standalone Financial Statements

18a Assets Classified as Held For Sale (Contd.)

(d) Land at Dehrand ₹ 215.56 crore (March 31, 2021 - ₹ 215.56 crore). During the earlier year, the Company had received an advance of ₹113.56 crore against sale

(ii) During the year, the Company has reclassified building at Mumbai of ₹ 8.02 crore from held for sale to Property, Plant and Equipment.

(iii) The Company had decided to divest its investments in Itezhi Tezhi Power Corporation ('ITPC') of ₹ 275.75 crore along with loans and other receivables amounting to ₹ 22.74 crore. Accordingly, the said investments along with loans and other receivables have been classified as held for sale.

(iv) Maharashtra Electricity Regulatory Commission ('MERC') had ordered termination of Vikhroli Transmission Lines project and accordingly, the Company reclassified the said project as held for sale. During the year, the Company has received an amount of ₹ 8.44 crore against the said project.

(v) During the year, the Company has reclassified its Investment in Tata Tele Maharashtra Limited from held for sale to Non-Current Investment.

18b Liabilities directly associated with Assets Classified as Held For Sale

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Advance received for land classified as held for sale	113.56	113.56
Total	**113.56**	**113.56**

Note

The company has received an advance of ₹ 113.56 crore towards the sale of Dehrand land having net book value of ₹ 215.55 crore (March 31, 2021 - ₹ 215.55 crore).

18c Assets Classified as Held For Sale - Discontinued Operations

In the past, the Company had approved sale of its Strategic Engineering Division (SED) to Tata Advanced Systems Ltd. (TASL) [a wholly owned subsidiary of Tata Sons Pvt. Ltd.] as a going concern on slump sale basis, at an enterprise value of ₹ 2,230 crore (out of which ₹1,040 crore payable at the time of closing and ₹1,190 crore payable on achieving certain milestones). Accordingly, SED business segment was presented as discontinued operations. On 31st October, 2020, the Company had completed the sale of its SED to TASL and had received upfront consideration of ₹597.00 crore (net of borrowings of ₹ 537.00 crore transferred to TASL) after certain adjustments as specified in the scheme.

Results of Strategic Engineering Division for the year are presented below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Income		
Revenue from Operations	Nil	193.63
Other Income	Nil	23.52
Total Income	**Nil**	**217.15**
Expenditure		
Cost of Components Consumed	Nil	139.28
Employee Benefits Expense	Nil	52.66
Finance Costs	Nil	24.91
Other Expenses	Nil	60.14
Total Expenses	**Nil**	**276.99**

Notes to the Standalone Financial Statements

18c Assets Classified as Held For Sale - Discontinued Operations (Contd.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Profit/(Loss) before tax from Discontinued Operations	**Nil**	**(59.84)**
Impairment Loss on Remeasurement of Fair Value (Refer Note below)	**(467.83)**	**(160.00)**
Tax Expense/(Income)		
Current Tax/(Credit)	Nil	(101.48)
Deferred Tax	Nil	(72.17)
	Nil	**(173.65)**
Profit/(Loss) after tax from Discontinued Operations	**(467.83)**	**(46.19)**
Other Comprehensive Income/(Expense)	Nil	Nil
Tax on Other Comprehensive Income	Nil	Nil
Total Comprehensive Income/(Expense)	**(467.83)**	**(46.19)**

Note:

During the year, Company has reassessed the fair value of the contingent consideration receivable and recognized an impairment loss of ₹467.83 crore (March 31, 2021: ₹160 crore) as exceptional item in the standalone financial statements. The fair value on consideration has been determined based on the expected value of the consideration using discounted present value technique. The fair value has been categorised under Level 3 inputs, the key assumption being expectation of achievement/non achievement of milestones as defined in the scheme of arrangement.

Net cash flows attributable to Strategic Engineering Division are as follows:

Particulars	From 1st April 2020 to 31st October, 2020
	₹ crore
Net Cash Flow from/(used in) in Operating Activities	286.62
Net Cash Flow from/(used in) in Investing Activities	(32.30)
Net Cash Flow from/(used in) in Financing Activities	(85.62)
Net Increase/(Decrease) in Cash and Cash Equivalents	**168.70**
Cash and Cash Equivalents as at 1st April (Opening Balance)	**7.60**
Cash and Cash Equivalents (Closing Balance)	**176.30**
Less: Transferred on sale of Strategic Engineering Division	(176.30)
Total of cash and cash equivalents (Net)	**Nil**

19. Regulatory Deferral Account

Accounting Policy

The Company determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 - 'Regulatory Deferral Accounts' read with the Guidance Note on Rate Regulated Activities issued by The Institute of Chartered Accountants of India (ICAI) and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the regulatory deferral account of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the Standalone financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations. The Company presents separate line items in the balance sheet for:

i. the total of all regulatory deferral account debit balances and related deferred tax balances; and

ii. the total of all regulatory deferral account credit balances and related deferred tax balances."

Notes to the Standalone Financial Statements

19. Regulatory Deferral Account (Contd.)

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account.

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Regulatory Deferral Account - Liability - Current		
Regulatory Liabilities	Nil	Nil
Regulatory Deferral Account - Assets - Non-current		
Regulatory Assets	725.92	573.60
Net Regulatory Assets/(Liabilities)	**725.92**	**573.60**

Rate Regulated Activities

(i) As per Ind AS 114 - 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission ('MERC'), determines Tariff to be charged from consumers based on prevailing regulations.

MERC Multi Year Tariff Regulations, 2019 ('MYT Regulations'), is applicable for the period beginning from 1st April, 2020 to 31st March, 2025. These regulations require MERC to determine tariff in a manner wherein the Company can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The Company determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in MYT Regulations.

(ii) Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

		As at March 31, 2022	As at March 31, 2021
		₹ crore	₹ crore
Opening Regulatory Assets (Net of Liabilities)	(A)	573.60	258.32
Regulatory Income/(Expenses) during the year			
(i) Power Purchase Cost		2,642.77	1,885.99
(ii) Other expenses as per the terms of Tariff Regulations including return on equity		909.32	892.10
(iii) Billed during the year as per approved Tariff		(3,461.09)	(2,520.09)
(iv) Amount Collected in respect of earlier years (Net)		Nil	Nil
Net Movement in Regulatory Deferral Balances (i + ii + iii + iv)	(B)	91.00	258.00
Regulatory Assets/(Liabilities) on carrying cost recognised as revenue	(C)	18.00	3.00
Recovery from/(Payable to) Company's Generation Business	(D)	(0.03)	12.66
Regulatory Assets/(Liabilities) on Deferred Tax Expense/(Income)	(E)	43.35	41.62
Closing Regulatory Assets (Net of Liabilities)	(A + B + C + D + E)	**725.92**	**573.60**

20a. Share Capital

	As at March 31, 2022		As at March 31, 2021	
	Number	₹ crore	Number	₹ crore
Authorised				
Equity Shares of ₹ 1/- each				
At the beginning of the year	550,00,00,000	550.00	350,00,00,000	350.00
Add: Increase during the year	Nil	Nil	200,00,00,000	200.00
Add: Increase due to merger (Refer Note 47)	10015,00,00,000	10,015.00	Nil	Nil
Outstanding at the end of the year		10,565.00		550.00
Cumulative Redeemable Preference Shares of ₹ 100/- each	2,29,00,000	229.00	2,29,00,000	229.00
		10,794.00		**779.00**

Notes to the Standalone Financial Statements

20a. Share Capital (Contd.)

	As at March 31, 2022		As at March 31, 2021	
	Number	₹ crore	Number	₹ crore
Issued				
Equity Shares [including 28,32,060 shares (March 31, 2021- 28,32,060 shares) not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Ltd cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay]	325,22,67,007	325.23	325,22,67,007	325.23
Subscribed and Paid-up				
Equity Shares fully paid-up [excluding 28,32,060 shares (March 31, 2021 - 28,32,060 shares) not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Ltd cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay]	319,53,39,547	319.54	319,53,39,547	319.54
Less: Calls in arrears [including ₹ 0.01 crore (March 31, 2021 - ₹0.01 crore) in respect of the erstwhile The Andhra Valley Power Supply Company Ltd and the erstwhile The Tata Hydro-Electric Power Supply Company Ltd]		0.04		0.04
		319.50		**319.50**
Add: Equity Shares forfeited - Amount paid	16,52,300	0.06	16,52,300	0.06
Total Subscribed and Paid-up Share Capital		**319.56**		**319.56**

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2022		As at March 31, 2021	
	Number	₹ crore	Number	₹ crore
Equity Shares				
At the beginning of the year	319,69,91,847	319.56	2,706,425,810	270.50
Issued during the year [Refer Note 21(iv)]	Nil	Nil	490,566,037	49.06
Outstanding at the end of the year	319,69,91,847	**319.56**	319,69,91,847	**319.56**

(ii) Terms/rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2022		As at March 31, 2021	
	Number	% Holding	Number	% Holding
Equity Shares of ₹ 1/- each fully paid				
Tata Sons Pvt. Ltd.	144,45,13,021	45.21	144,45,13,021	45.21
Life Insurance Corporation of India	21,57,53,479	6.75	16,41,25,329	5.14

Notes to the Standalone Financial Statements

20a. Share Capital (Contd.)

(iv) Shareholding of Promoters

		Shares held by promoters at the end of the year				% Change during the year
		March 31, 2022		March 31, 2021		
Sl No	Promoter name	No. of shares	% of total shares	No. of shares	% of total shares	
1	Tata Sons Pvt. Ltd.	144,45,13,021	45.21	1,44,45,13,021	45.21	Nil

		Shares held by promoters at the end of the year				% Change during the year
		March 31, 2021		March 31, 2020		
Sl No	Promoter name	No. of shares	% of total shares	No. of shares	% of total shares	
1	Tata Sons Pvt. Ltd.	144,45,13,021	45.21	95,39,46,984	35.27	9.94

20b. Unsecured Perpetual Securities

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
11.40% Unsecured Perpetual Securities	1,500.00	1,500.00
Repayment during the year	(1,500.00)	Nil
Total	**Nil**	**1,500.00**

In the earlier year, the Company had raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities (the "Securities"). These Securities were perpetual in nature with no maturity or redemption and were callable only at the option of the Company. As these Securities were perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not had any redemption obligation, these were considered to be in the nature of equity instruments. During the year, pursuant to debenture trust deed dated June 23, 2011, the Company has exercised the call option to redeem the Securities on June 2, 2021 along with final interest.

21. Other Equity

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
General Reserve		
Opening Balance	Nil	3,853.98
Add/(Less): Changes in balance on account of merger (Refer Note 47)	Nil	5.94
Add/(Less): Capital re-organisation (Refer Note 47)	Nil	(3,859.92)
Restated opening balance	Nil	Nil
Closing Balance	**Nil**	**Nil**
Securities Premium		
Opening Balance	3,107.54	5,634.98
Add/(Less): Changes in balance on account of merger (Refer Note 47)	Nil	12.82
Add/(Less): Capital re-organisation (Refer Note 47)	Nil	(5,091.20)
Restated opening balance	3,107.54	556.60
Add/(Less): Increase on issue of shares during the year (Refer Note (iv) below)	Nil	2,550.94
Closing Balance	**3,107.54**	**3,107.54**
Capital Redemption Reserve		
Opening Balance	4.51	1.85
Add/(Less): Changes in balance on account of merger (Refer Note 47)	Nil	2.66
Restated opening balance	4.51	4.51
Closing Balance	**4.51**	**4.51**

Notes to the Standalone Financial Statements

21. Other Equity (Contd.)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Capital Reserves		
Opening Balance	66.24	61.66
Add/(Less): Changes in balance on account of merger (Refer Note 47)	Nil	4.58
Restated opening balance	66.24	66.24
Closing Balance	**66.24**	**66.24**
Statutory Reserve	660.08	660.08
Debenture Redemption Reserve	296.95	296.95
Special Reserve		
Opening Balance	126.28	Nil
Add/(Less): Changes in balance on account of merger (Refer Note 47)	Nil	124.07
Restated opening balance	126.28	124.07
Add/(Less): Created during the year	Nil	2.21
Add/(Less): Amount transferred to Retained Earnings	(126.28)	Nil
Closing Balance	**Nil**	**126.28**
Retained Earnings (Refer Note (ii) below)		
Opening Balance	3,575.09	3,027.08
Add/(Less): Changes in balance on account of merger (Refer Note 47)	Nil	(8,118.29)
Add/(Less): Capital re-organisation (Refer Note 47)	Nil	8,951.12
Restated opening balance	3,575.09	3,859.91
Add/(Less): Profit/(Loss) for the year	2,782.93	293.52
Other Comprehensive Income/(Expense) arising from remeasurement of Defined Benefit Obligation (Net of Tax)	7.21	14.11
Payment of Dividend (Refer Note (i) below)	(495.28)	(419.24)
Distribution on Unsecured Perpetual Securities	(100.25)	(171.00)
Transfer to/from Special Reserve	126.28	(2.21)
	2,320.89	**(284.82)**
Closing Balance	**5,895.98**	**3,575.09**
Equity Instruments through Other Comprehensive Income		
Opening Balance	221.82	(45.11)
Add/(Less): Changes in balance on account of merger (Refer Note 47)	Nil	37.51
Restated opening balance	221.82	(7.60)
Add/(Less): Change in fair value of equity instruments through Other Comprehensive Income	307.12	73.55
Change in fair value of equity instruments classified as held for sale	Nil	155.87
Closing Balance	**528.94**	**221.82**
Total	**10,560.24**	**8,058.51**

Notes:

i The shareholders of the Company in their meeting held on July 5, 2021, approved final dividend of ₹ 1.55 per share aggregating ₹ 495.28 crore for the financial year 2020-21. The said dividend was paid to the holders of fully paid equity shares on July 7, 2021.

Notes to the Standalone Financial Statements

21. Other Equity (Contd.)

ii Includes gain on fair valuation of land which is not available for distribution ₹ 87.88 crore

iii The Board of Directors at its meeting held on May 6, 2022 proposed a dividend of ₹ 1.75 per equity share subject to the approval of the shareholders in the upcoming annual general meeting and has not been included as a liability in the Standalone financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 559.68 crore.

iv During the previous year, the shareholders in the Annual General Meeting dated July 30, 2020 had approved the issuance of 49,05,66,037 equity shares of the face value of ₹ 1 each at ₹ 53 per equity share for an amount aggregating to ₹ 2,600 crores to Tata Sons Pvt Ltd on preferential basis. The Company had allotted the said equity shares to Tata Sons Pvt Ltd on August 13, 2020.

Nature and purpose of reserves:

General Reserve

General Reserve is used to transfer profits from retained earnings for appropriation purposes. The amount is to be utilised in accordance with the provision of the Companies Act, 2013.

Securities Premium

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

Debenture Redemption Reserve

The Company was required to create a Debenture Redemption Reserve out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not creating additional debenture redemption reserve (DRR) from the effective date of amendment. DRR created till previous years will be transferred to retained earnings on redemption of debentures.

Capital Redemption Reserve

Capital Redemption Reserve represents amounts set aside on redemption of preference shares.

Capital Reserve

Capital Reserve consists of forfeiture of the amount received from Tata Sons Pvt. Ltd. on preferential allotment of convertible warrants in the Company, on the lapse of the period to exercise right to convert the said warrants and on forfeiture of amounts paid on Debentures.

Statutory Reserve

Statutory Reserve consists of Special Appropriation towards Project Cost, Development Reserve and Investment Allowance Reserve.

Special appropriation to project cost - Due to high capital investment required for the expansion in the electricity industry, the Maharashtra State Government permits part of the capital cost of approved projects to be collected through the electricity tariff and held as a special appropriation.

Development Reserve / Investment Allowance Reserve - Until 1978, the Companies made appropriations to a Development Reserve and an Investment Allowance Reserve as required by the Income Tax Act, 1956. New appropriations to these reserves are no longer required due to changes in law.

Special Reserve

Special Reserve Fund represents the amount transferred from the annual profits of Af-Taab pursuant to section 45 of the Reserve Bank of India Act, 1934. Pursuant to scheme of arrangement for merger as mentioned in note 47 to the standalone financial statement, erstwhile Af-taab has ceased to exist and hence the reserves is no longer required and accordingly has been transferred to retained earning.

Retained Earnings

Retained Earnings are the profits of the Company earned till date net of appropriations.

Notes to the Standalone Financial Statements

21. Other Equity (Contd.)

Equity Instruments through Other Comprehensive Income

This reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those equity instruments are disposed off.

22. Non-current Borrowings - At Amortised Cost

	As at March 31, 2022		As at March 31, 2021	
	Non-current (₹ crore)	Current* Maturities (₹ crore)	Non-current (₹ crore)	Current* Maturities (₹ crore)
(i) Unsecured				
Redeemable Non-Convertible Debentures				
(a) 10.75% Series 2072	1,498.21	Nil	1,496.25	Nil
(b) 7.77% Series 2031	197.87	Nil	197.46	Nil
(c) 7.77% Series 2030	148.54	Nil	148.09	Nil
(d) 7.77% Series 2029	148.09	Nil	148.09	Nil
(e) 9.90% Series 2028	998.41	Nil	998.13	Nil
(f) 7.05% Series 2026	496.76	Nil	495.74	Nil
(g) 9.00% Series 2025	249.91	Nil	249.81	Nil
(h) 7.99% Series 2024	598.49	300.00	898.16	300.00
(i) 5.70% Series 2024	567.30	Nil	Nil	Nil
(j) 6.18% Series 2024	397.55	Nil	396.64	Nil
(k) 8.84% Series 2023	Nil	750.00	748.43	Nil
(l) 8.21% Series 2023	300.38	Nil	300.07	Nil
(m) 7.20% Series 2023	997.61	Nil	995.39	Nil
(n) 6.00% Series 2023	991.42	Nil	985.96	Nil
(o) 9.70% Series 2023	1,698.41	Nil	1,697.42	Nil
(p) 8.55% Series 2023	349.58	Nil	350.09	Nil
(q) 8.84% Series 2022	Nil	500.00	499.55	Nil
(r) 9.15% Series 2022	Nil	370.00	368.91	Nil
(s) 9.15% Series 2021	Nil	Nil	Nil	370.00
	9,638.53	**1,920.00**	**10,974.19**	**670.00**
Term Loans from Banks				
(t) ICICI Bank	1000.00	Nil	Nil	225.00
(u) Axis Bank	500.00	Nil	Nil	166.67
(v) First Abu Dhabi Bank	Nil	66.00	65.74	67.00
(w) Sumitomo Mitsui Banking Corporation	78.84	205.00	283.53	215.00
(x) Bank of Baroda	999.93	Nil	Nil	Nil
(y) Kotak Mahindra Bank	348.94	150.00	Nil	Nil
(z) Yes Bank	500.00	Nil	Nil	Nil
(aa) Punjab National bank	300.00	Nil	Nil	Nil
	3,727.71	**421.00**	**349.27**	**673.67**
Deferred Payment Liabilities				
(ab) Sales Tax Deferral	Nil	Nil	Nil	2.83
(A)	**13,366.24**	**2341.00**	**11,323.46**	**1,346.50**

Notes to the Standalone Financial Statements

22. Non-current Borrowings - At Amortised Cost (Contd.)

	As at March 31, 2022		As at March 31, 2021	
	Non-current (₹ crore)	Current* Maturities (₹ crore)	Non-current (₹ crore)	Current* Maturities (₹ crore)
(ii) Secured				
Redeemable Non-Convertible Debentures				
(a) 7.55% Series 2028	164.70	16.25	180.95	16.25
(b) 9.15% Series 2025	57.92	16.00	73.92	16.00
(c) 9.15% Series 2025	60.07	20.00	80.00	20.00
(d) 9.40% Series 2022	Nil	210.00	209.80	Nil
	282.69	**262.25**	**544.67**	**52.25**
Term Loans from Banks				
(e) HDFC Bank	1,635.20	170.25	1,450.44	140.00
(f) ICICI Bank	237.63	150.00	386.61	120.00
(g) Kotak Mahindra Bank	425.78	61.48	487.25	161.48
(h) State Bank of India	1,002.43	75.64	1,078.07	75.64
(i) Canara Bank	Nil	18.40	55.00	5.00
(j) Axis Bank	230.55	60.00	290.36	226.67
	3,531.59	**535.77**	**3,747.73**	**728.79**
Term Loans from Others				
(k) Housing Development Finance Corporation Ltd	907.45	60.00	967.20	30.00
	907.45	**60.00**	**967.20**	**30.00**
(B)	**4,721.73**	**858.02**	**5,259.60**	**811.04**
Total (A) + (B)	**18,087.97**	**3,199.02**	**16,583.06**	**2,157.54**

* Amount disclosed under Current borrowings (Refer Note 29)

Security

(i) The debentures mentioned in (a) have been secured by pari passu charge on all movable fixed assets (excluding land and building), present and future (except wind, solar and Haldia plant assets both present and future) including movable machinery, machinery spares, tools and accessories, present and future, but excluding vehicles, launches and barges.

(ii) The loans and debentures mentioned in (b), (c), (e), (g), (h), (i), (j) and (k) have been secured by pari passu charge on all movable fixed assets (excluding land and building), present and future (except assets of all wind projects both present and future) including movable machinery, machinery spares, tools and accessories, present and future, but excluding vehicles, launches and barges.

(iii) The debentures mentioned in (d) have been secured by a charge on the land situated at Village Takve Khurd (Maharashtra) and movable fixed assets (except the wind assets) including movable machinery, machinery spares, tools and accessories but excluding vehicles, launches and barges, present and future.

(iv) The Loans mentioned in (f) have been secured by whole of current assets of the Company, present and future, in a first pari passu manner.

Notes to the Standalone Financial Statements

22. Non-current Borrowings - At Amortised Cost (Contd.)

Terms of Repayment

(₹ crore)

Particulars	Amount Outstanding as at March 31, 2022	Financial Year						
		FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-32	FY 32-33 and onwards
(i) Unsecured - At Amortised Cost								
Redeemable Non-Convertible Debentures								
(a) 10.75% Series 2072 (Refer Note 1 below)	1,500.00	Nil	Nil	Nil	Nil	Nil	Nil	1,500.00
(b) 7.77% Series 2031	200.00	Nil	Nil	Nil	Nil	Nil	200.00	Nil
(c) 7.77% Series 2030	150.00	Nil	Nil	Nil	Nil	Nil	150.00	Nil
(d) 7.77% Series 2029	150.00	Nil	Nil	Nil	Nil	Nil	150.00	Nil
(e) 9.90% Series 2028	1,000.00	Nil	Nil	Nil	Nil	Nil	1,000.00	Nil
(f) 7.05% Series 2026	500.00	Nil	Nil	Nil	500.00	Nil	Nil	Nil
(g) 9.00% Series 2025	250.00	Nil	Nil	250.00	Nil	Nil	Nil	Nil
(h) 7.99% Series 2024	900.00	300.00	300.00	300.00	Nil	Nil	Nil	Nil
(i) 5.70% Series 2024	570.00	Nil	Nil	570.00	Nil	Nil	Nil	Nil
(j) 6.18% Series 2024	400.00	Nil	400.00	Nil	Nil	Nil	Nil	Nil
(k) 8.84% Series 2023	750.00	750.00	Nil	Nil	Nil	Nil	Nil	Nil
(l) 8.21% Series 2023	300.00	Nil	300.00	Nil	Nil	Nil	Nil	Nil
(m) 7.20% Series 2023	1,000.00	Nil	1,000.00	Nil	Nil	Nil	Nil	Nil
(n) 6.00% Series 2023	1,000.00	Nil	1,000.00	Nil	Nil	Nil	Nil	Nil
(o) 9.70% Series 2023	1,700.00	Nil	1,700.00	Nil	Nil	Nil	Nil	Nil
(p) 8.55% Series 2023	350.00	Nil	350.00	Nil	Nil	Nil	Nil	Nil
(q) 8.84% Series 2022	500.00	500.00	Nil	Nil	Nil	Nil	Nil	Nil
(r) 9.15% Series 2022	370.00	370.00	Nil	Nil	Nil	Nil	Nil	Nil
Term Loans from Banks (Refer Note 2 below)								
(s) ICICI Bank	1,000.00	Nil	1,000.00	Nil	Nil	Nil	Nil	Nil
(t) Axis Bank	500.00	Nil	500.00	Nil	Nil	Nil	Nil	Nil
(u) First Abu Dhabi Bank	66.00	66.00	Nil	Nil	Nil	Nil	Nil	Nil
(v) Sumitomo Mitsui Banking Corporation	285.00	205.00	45.00	35.00	Nil	Nil	Nil	Nil
(w) Bank of Baroda	999.93	Nil	999.93	Nil	Nil	Nil	Nil	Nil
(x) Kotak Mahindra Bank	500.00	150.00	150.00	200.00	Nil	Nil	Nil	Nil
(y) Yes Bank	500.00	Nil	500.00	Nil	Nil	Nil	Nil	Nil
(z) Punjab National Bank	300.00	Nil	Nil	300.00	Nil	Nil	Nil	Nil
(ii) Secured - At Amortised Cost								
Redeemable Non-Convertible Debentures								
(a) 7.55% Series 2028	180.94	16.25	16.25	16.25	16.25	16.25	99.69	Nil

Notes to the Standalone Financial Statements

22. Non-current Borrowings - At Amortised Cost (Contd.)

Particulars	Amount Outstanding as at March 31, 2022	Financial Year						
		FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-32	FY 32-33 and onwards
(b) 9.15% Series 2025	74.00	16.00	16.00	16.00	16.00	10.00	Nil	Nil
(c) 9.15% Series 2025	80.00	20.00	20.00	20.00	20.00	Nil	Nil	Nil
(d) 9.40% Series 2022	210.00	210.00	Nil	Nil	Nil	Nil	Nil	Nil
Term Loans from Banks (Refer Note 2 below)								
(e) HDFC Bank	1,808.88	170.25	170.25	170.25	196.50	231.18	686.21	184.24
(f) ICICI Bank	390.00	150.00	240.00	Nil	Nil	Nil	Nil	Nil
(g) Kotak Mahindra Bank	487.27	61.48	61.48	61.48	87.72	76.47	138.64	Nil
(h) State Bank of India	1,078.05	75.64	151.35	302.69	548.37	Nil	Nil	Nil
(i) Canara Bank	18.40	18.40	Nil	Nil	Nil	Nil	Nil	Nil
(j) Axis Bank	290.00	60.00	130.00	100.00	Nil	Nil	Nil	Nil
Term Loans from Others (Refer Note 2 below)								
(k) Housing Development Finance Corporation Ltd	970.00	60.00	70.00	90.00	120.00	140.00	490.00	Nil
	21,328.47	**3,199.02**	**9,120.26**	**2,431.67**	**1,504.84**	**473.90**	**2,914.54**	**1,684.24**
Less: Less: Impact of recognition of borrowing at amortised cost using effective interest method.	41.48							
	21,286.99							

Notes:

1. The 10.75% Redeemable Non-Convertible Debentures are redeemable at par at the end of 60 years from the date of allotment viz. August 21, 2072. The Company has the call option to redeem the same at the end of 10 years viz. August 21, 2022 and at the end of every year thereafter.
2. The rate of interest for term loans from banks ranges from 5.05% to 8.15% (March 31, 2021 - 5.45% to 9.83%) and rate of interest for term loans from others is 7.60% (March 31, 2021 - 7.60%).

23. Lease Liabilities

Accounting Policy

At inception of contract, the Company assesses whether the contract is, or contains, a lease. 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. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a Lessee

i) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company

Notes to the Standalone Financial Statements

23. Lease Liabilities (Contd.)

uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

ii) Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Leasing arrangement as Lessee

The Company has lease contracts for various items of plant, machinery, land, vehicles and other equipment used in its operations. Leases of Leasehold land including sub-surface rights and plant and equipment generally have lease term between 2 and 40 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

Amount recognised in the Statement of Profit and Loss	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Depreciation of Right-of-use assets	102.95	109.27
Interest on lease liabilities	275.36	270.14
Expenses related to short term leases	29.84	28.85
Expenses related to leases of low value assets, excluding short term leases of low value assets	0.81	0.33

Refer Note 5(b) for additions to Right-of-Use Assets and the carrying amount of Right-of-Use Assets. Further, Refer Note 43.4.3 for maturity analysis of lease liabilities.

Amount as per the Statement of Cash Flows	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Total cash outflow of leases	277.30	290.45

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-Current		
(i) Lease Liabilities	2,555.11	2,460.38
	2,555.11	**2,460.38**
Current		
(i) Lease Liabilities	303.76	288.66
	303.76	**288.66**

Notes to the Standalone Financial Statements

24. Trade Payables

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Current		
Outstanding dues of micro enterprises and small enterprises (Refer Note 37)	39.16	18.54
Outstanding dues of trade payables other than micro enterprises and small enterprises	4,040.73	3,263.93
Total	**4,079.89**	**3,282.47**

Trade Payables Ageing schedule as at March 31, 2022

₹ crore

Particulars	Others	Outstanding for following periods from due date of payment #					Total
	Unbilled*	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payables							
a) MSME	Nil	20.07	18.90	0.13	0.04	0.02	39.16
b) Others	177.51	3,319.25	423.93	28.13	12.57	20.01	3,981.40
(ii) Disputed Trade Payables							
a) MSME	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Others	Nil	Nil	Nil	Nil	59.33	Nil	59.33
Total (i) + (ii)	**177.51**	**3,339.32**	**442.83**	**28.26**	**71.94**	**20.03**	**4,079.89**

Where due date of payment is not available date of transaction has been considered
* Provision for expenses which is certain and not related to any litigation

Trade Payables Ageing schedule as at March 31, 2021

₹ crore

Particulars	Others	Outstanding for following periods from due date of payment #					Total
	Unbilled*	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payables							
a) MSME	Nil	14.48	3.71	0.24	0.10	0.01	18.54
b) Others	214.62	2,682.80	230.54	29.97	23.81	22.86	3,204.60
(ii) Disputed Trade Payables							
a) MSME	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Others	Nil	Nil	Nil	59.33	Nil	Nil	59.33
Total (i) + (ii)	**214.62**	**2,697.28**	**234.25**	**89.54**	**23.91**	**22.87**	**3,282.47**

Where due date of payment is not available date of transaction has been considered
* Provision for expenses which is certain and not related to any litigation

Notes to the Standalone Financial Statements

25. Other Financial Liabilities - At Amortised Cost (Unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
(a) Security Deposits from Customers	11.21	9.76
(b) Guarantee Commission Obligation	1.86	2.32
Total	**13.07**	**12.08**
Current		
(a) Interest accrued but not due on Borrowings	506.46	518.57
(b) Interest accrued but not due on Borrowings from Related Party	2.61	3.85
(c) Investor Education and Protection Fund shall be credited by the following amounts namely: (Refer Note 2 below)		
Unpaid Dividend	23.35	23.16
Unpaid Matured Debentures	0.09	0.09
(d) Other Payables		
Payables for Capital Supplies and Services (Refer Note 37)	655.46	308.06
Security deposits from electricity consumers	247.78	245.75
Security deposits from others	38.22	31.66
Payable to Consumers	220.48	310.53
Supplier's Credit (Refer Note 1 below)	330.53	652.94
Factoring Liability (Refer Note 8(b))	496.80	Nil
Derivative contracts (at Fair Value through Profit and Loss)	13.12	35.84
Other Financial Liabilities	226.54	77.24
Total	**2,761.44**	**2,207.69**

Notes

1 The Company has entered into a Suppliers' Credit Program ("Facility") with a third party whereby the third party shall pay the said coal suppliers on behalf of the Company and the Company shall pay the third party on the due date along with interest. The Company has utilised USD 43.99 million of this facility as at March 31, 2022. As the Facility provided by the third party is within the credit period provided by the coal vendors, the outstanding liability has been disclosed under other financial liabilities.

2 Includes amounts outstanding aggregating ₹ 0.21 crore (March 31, 2021 - ₹ 1.69 crore) for more than seven years pending disputes and legal cases.

26. Deferred Tax Liabilities/(Asset)(Net)

(Refer Note 36)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Deferred Tax Assets	4,140.70	1,028.59
Deferred Tax Liabilities	3,890.70	1,164.02
Net Deferred Tax Liabilities/(Assets)	**(250.00)**	**135.43**

Notes to the Standalone Financial Statements

27. Provisions

Accounting Policy

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

Restructuring provisions are recognised only when the Company has a constructive obligation, which is when: (i) a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

Defined contribution plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefits plans

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

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

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

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

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

The cost of the defined benefit gratuity plan and other post-employment medical benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

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

Notes to the Standalone Financial Statements

27. Provisions (Contd.)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
Provision for Employee Benefits		
Compensated Absences	82.48	82.70
Gratuity [Refer Note 27 (2.3b)]	15.19	13.35
Post-Employment Medical Benefits [Refer Note 27 (2.1) and (2.3)]	59.39	57.67
Other Defined Benefit Plans [Refer Note 27 (2.1) and (2.3)]	100.84	106.35
Other Employee Benefits	16.10	14.66
Total	**274.00**	**274.73**
Current		
Provision for Employee Benefits		
Compensated Absences	15.33	15.65
Post-Employment Medical Benefits [Refer Note 27 (2.1) and (2.3)]	3.27	3.15
Other Defined Benefit Plans [Refer Note 27 (2.1) and (2.3)]	23.57	16.62
Other Employee Benefits	2.06	3.29
	44.23	**38.71**
Other Provisions	0.36	0.36
	0.36	**0.36**
Total	**44.59**	**39.07**

Employee Benefit Plans

1. Defined Contribution plan

a) The Company makes superannuation fund contributions to defined contribution plan for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs. The Company has no obligation, other than the contribution payable to the fund. The Company recognises contribution payable to the superannuation fund scheme as an expense, when an employee renders the related service.

The Company has recognised ₹ 7.16 crore (March 31, 2021 - ₹ 7.84 crore) for superannuation contribution in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at rates specified in the rules of the plan.

b) The Company operates defined contribution retirement benefit plans for employees of Mundra Plant. The employees of the Company are members of Employee Provident Fund. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognized in Statement of Profit & Loss is ₹ 1.43 crores (for the year ended March 31, 2021 ₹ 1.44 crores) represents contribution for the year paid/payable to the Employee Provident Fund. The contribution outstanding as at March 31, 2022 of ₹.0.35 crore (as at March 31, 2021 ₹ 0.35 crore) due in respect of financial year 2021-22 (financial year 2020-21) is payable in the subsequent reporting periods.

c) The Company is in the process of transferring employees under erstwhile Coastal Gujarat Power Limited to the payroll of the Company. Post transfer, all employees will get transferred to existing provident fund scheme and gratuity fund scheme of the Company.

Notes to the Standalone Financial Statements

27. Provisions (Contd.)

2. Defined benefit plans

2.1 The Company operates the following unfunded/funded defined benefit plans:

Funded:

Provident Fund

The Company makes Provident Fund contributions to defined benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified are paid to the provident fund trust set by the Company. The Company is generally liable for annual contributions. However, any shortfall in the fund assets based on the government specified minimum rates of return are recognised as an expense in the year it is incurred. Having regard to the assets of the fund and the return on the investments, the Company expects net shortfall of ₹ Nil.

The actuary has provided a valuation of provident fund liability based on the assumptions listed and determined the net short fall of ₹ Nil as at March 31, 2022 (March 31, 2021 - ₹ 6.50 crore) which has been recognised as an expense during the year.

The significant assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Interest rate	8.10% p.a.	8.50% p.a.
Discount rate	6.80% p.a.	6.60% p.a.
Contribution during the year (₹ crore)	20.20	19.92
Short fall recognised as an expenditure for the year (₹ crore)	Nil	6.50

The movements in the net defined benefit obligations for provident fund are as follows:

Funded Plan:	Present value of obligation	Fair value of plan assets	Net amount
	₹ crore	₹ crore	₹ crore
Balance as at 1st April, 2020	**807.76**	**750.52**	**57.24**
Current service cost	18.87	Nil	18.87
Interest Cost/(Income)	48.84	47.79	1.05
Amount recognised in Statement of Profit and Loss	**67.71**	**47.79**	**19.92**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	68.73	(68.73)
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil	Nil	Nil
Actuarial (gains)/losses arising from changes in financial assumptions	52.89	Nil	52.89
Actuarial (gains)/losses arising from experience	22.34	Nil	22.34
Amount recognised in Other Comprehensive Income	**75.23**	**68.73**	**6.50**
Employer contribution	Nil	18.62	(18.62)
Employee contribution	44.14	44.14	Nil
Benefits paid	(124.23)	(116.10)	(8.13)
Acquisitions credit/(cost)	22.80	22.80	Nil
Balance as at March 31, 2021	**893.41**	**836.51**	**56.91**

Notes to the Standalone Financial Statements

27. Provisions (Contd.)

Funded Plan:	Present value of obligation	Fair value of plan assets	Net amount
	₹ crore	₹ crore	₹ crore
Balance as at April 1, 2021	**893.41**	**836.51**	**56.91**
Current service cost	20.14	Nil	20.14
Interest Cost/(Income)	50.03	49.97	0.06
Amount recognised in Statement of Profit and Loss	**70.17**	**49.97**	**20.20**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	(20.41)	20.41
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil	Nil	Nil
Actuarial (gains)/losses arising from changes in financial assumptions	(28.28)	Nil	(28.28)
Actuarial (gains)/losses arising from experience	(0.21)	Nil	(0.21)
Amount recognised in Other Comprehensive Income	**(28.49)**	**(20.41)**	**(8.08)**
Employer contribution	Nil	18.71	(18.71)
Employee contribution	42.43	42.43	Nil
Benefits paid	(56.02)	(60.17)	4.15
Acquisitions credit/(cost)	16.89	16.89	Nil
Balance as at March 31, 2022	**938.39**	**883.93**	**54.46**

Funded/Unfunded:

Post Employment Medical Benefits

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

Pension (including Director pension)

The Company operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lumpsum payment on retirement. Executive Director, on retirement, is entitled to pension payable for life including HRA benefit. The level of benefit is approved by the Board of Directors of the Company from time to time.

Ex-Gratia Death Benefit

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

Retirement Gift

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

Gratuity

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. The gratuity plan is a combination of funded plan and unfunded plan. Unfunded plan pertains to employees of erstwhile Coastal Gujarat Power Limited which has been merged with the Company based on National Company Law Tribunal (NCLT) order dated 31.03.2022 . In case of funded plan, the fund has the form of a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the trust regulations.

Notes to the Standalone Financial Statements

27. Provisions (Contd.)

2.2 The principal assumptions used for the purposes of the actuarial valuations for funded and unfunded plan were as follows:

Valuation as at	As at March 31, 2022	As at March 31, 2021
Discount Rate	6.80% p.a.	6.60% p.a.
Salary Growth Rate		
- Management	7% p.a.	7% p.a.
- Non-Management	6% p.a.	5% p.a.
Turnover Rate - Age 21 to 44 years		
- Management	6% p.a.	6% p.a.
- Non-Management	0.50% p.a.	0.50% p.a.
Turnover Rate - Age 45 years and above		
- Management	2% p.a.	2% p.a.
- Non-Management	0.50% p.a.	0.50% p.a.
Pension Increase Rate	4% p.a.	4% p.a.
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) modified) Ult
Annual Increase in Healthcare Cost	8% p.a.	8% p.a.

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

(a) Gratuity Fund Plan:	Present value of obligation	Fair value of plan assets	Net amount
	₹ crore	₹ crore	₹ crore
Balance as at 1st April, 2020 *	**273.90**	**(309.35)**	**(35.45)**
Current service cost	17.38	Nil	17.38
Interest Cost/(Income)	17.49	(20.11)	(2.62)
Less: Amount recognised in Statement of Profit and Loss - Discontinued Operations	(0.89)	Nil	(0.89)
Amount recognised in Statement of Profit and Loss - Continuing Operations	**33.98**	**(20.11)**	**13.87**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	(16.60)	(16.60)
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil	Nil	Nil
Actuarial (gains)/losses arising from changes in financial assumptions	(1.76)	Nil	(1.76)
Actuarial (gains)/losses arising from experience	(3.16)	Nil	(3.16)
Less: Amount recognised in Other Comprehensive Income - Discontinued Operations	(0.34)	Nil	(0.34)
Amount recognised in Other Comprehensive Income	**(5.26)**	**(16.60)**	**(21.86)**
Benefits paid	(24.61)	Nil	(24.61)
Acquisitions credit/(cost)	(22.36)	Nil	(22.36)
Add: Amounts recognised in current year - Discontinued Operations	0.89	Nil	0.89
Balance as at March 31, 2021 *	**256.54**	**(346.06)**	**(89.52)**
* Net asset is classified as "Other Current Assets".			
Balance as at April 1, 2021 *	**256.54**	**(346.06)**	**(89.52)**
Current service cost	14.46	Nil	14.46
Interest Cost/(Income)	15.81	(22.84)	(7.03)

Notes to the Standalone Financial Statements

27. Provisions (Contd.)

(a) Gratuity Fund Plan:	Present value of obligation	Fair value of plan assets	Net amount
	₹ crore	₹ crore	₹ crore
Amount recognised in Statement of Profit and Loss - Continuing Operations	**30.27**	**(22.84)**	**7.43**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	(6.46)	(6.46)
Actuarial (gains)/losses arising from changes in financial assumptions	(0.33)	Nil	(0.33)
Actuarial (gains)/losses arising from experience	5.68	Nil	5.68
Amount recognised in Other Comprehensive Income	**5.35**	**(6.46)**	**(1.11)**
Benefits paid	(33.96)	Nil	(33.96)
Acquisitions credit/(cost)	(5.50)	Nil	(5.50)
Balance as at March 31, 2022 *	**252.70**	**(375.36)**	**(122.66)**

* Net asset is classified as "Other Current Assets".

(b) Unfunded Plan - Gratuity and Other Defined Benefit Plans:	Gratuity	Other Defined Benefit Plans
	Amount ₹ crore	Amount ₹ crore
Balance as at 1st April, 2020	**14.32**	**123.25**
Current service cost	1.24	5.65
Interest Cost/(Income)	0.89	7.94
Amount recognised in Statement of Profit and Loss - Continuing Operations	**2.13**	**13.59**
Remeasurement (gains)/losses		
Actuarial (gains)/losses arising from changes in financial assumptions	(0.15)	1.51
Actuarial (gains)/losses arising from experience	(1.49)	(3.23)
Amount recognised in Other Comprehensive Income	**(1.64)**	**(1.72)**
Benefits paid	(1.20)	(5.55)
Acquisitions credit/(cost)	(0.26)	(2.79)
Add: Amounts recognised in current year - Discontinued Operations	Nil	0.10
Balance as at March 31, 2021	**13.35**	**126.88**
Balance as at April 1, 2021	**13.35**	**126.88**
Current service cost	1.14	5.47
Interest Cost/(Income)	0.87	8.13
Amount recognised in Statement of Profit and Loss - Continuing Operations	**2.01**	**13.60**
Remeasurement (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil	7.53
Actuarial (gains)/losses arising from changes in financial assumptions	(0.31)	(2.93)
Actuarial (gains)/losses arising from experience	(0.42)	(4.32)
Amount recognised in Other Comprehensive Income	**(0.73)**	**0.28**
Benefits paid	(0.11)	(8.11)
Acquisitions credit/(cost)	0.67	(0.04)
Balance as at March 31, 2022	**15.19**	**132.61**

Notes to the Standalone Financial Statements

27. Provisions (Contd.)

2.4 Sensitivity analysis

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

Change in assumption			Increase in assumption			Decrease in assumption		
	March 31, 2022	March 31, 2021		March 31, 2022 ₹ crore	March 31, 2021 ₹ crore		March 31, 2022 ₹ crore	March 31, 2021 ₹ crore
Discount rate	0.50%	0.50%	Decrease by	18.86	17.99	Increase by	17.54	19.08
Salary/Pension growth rate	0.50%	0.50%	Increase by	12.03	11.86	Decrease by	11.35	11.20
Mortality rates	1 year	1 year	Decrease by	5.46	5.86	Increase by	5.36	5.78
Healthcare cost	0.50%	0.50%	Increase by	4.91	4.74	Decrease by	4.38	4.26

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

	Funded- Provident Fund		Funded- Gratuity		Unfunded	
	March 31, 2022 ₹ crore	March 31, 2021 ₹ crore	March 31, 2022 ₹ crore	March 31, 2021 ₹ crore	March 31, 2022 ₹ crore	March 31, 2021 ₹ crore
Within 1 year	66.56	61.74	17.89	19.83	9.79	9.54
Between 1 - 2 years	100.75	101.81	31.26	31.63	10.38	10.03
Between 2 - 3 years	106.87	94.42	32.12	31.53	11.46	10.46
Between 3 - 4 years	95.81	93.72	25.49	31.68	12.02	11.33
Between 4 - 5 years	112.88	86.54	29.38	26.77	12.60	11.47
Beyond 5 years	581.36	533.46	165.82	166.99	57.90	62.34

The weighted average duration of:	March 31, 2022	March 31, 2021
Provident Fund	8.0 Years	7.0 Years
Gratuity Fund	7.6 Years	7.4 Years

The contribution expected to be made by the Company during the financial year 2022-23 is ₹ 19.97 crore.

2.6 Risk exposure:

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

Notes to the Standalone Financial Statements

27. Provisions (Contd.)

Asset volatility:

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

Inflation rate risk:

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

Demographic risk:

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

2.7 Major categories of plan assets:

Plan assets are funded with the trust set up by the Company. The trust invests the funds in various financial instruments. Major categories of plan assets are as follows:

	Provident Fund				Gratuity			
	As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021	
	₹ crore	%	₹ crore	%	₹ crore	%	₹ crore	%
Quoted								
Equity Instruments	59.13	6.69%	43.33	5.00%	78.06	20.80%	65.75	19.00%
Government Securities	472.55	53.46%	450.96	54.00%	117.37	31.27%	88.63	25.63%
Debt and other Instruments	352.24	39.85%	342.21	41.00%	179.93	47.93%	191.68	55.00%

28. Other Liabilities

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
Deferred Revenue - Service Line Contributions from Consumers	104.60	112.95
Deferred Revenue Liability	610.77	511.56
Deferred Rent Liability	41.78	42.76
Total	**757.15**	**667.27**
Current		
Statutory Liabilities	135.66	105.08
Advance from Customers/Public Utilities	152.18	178.23
Deferred Revenue - Service Line Contributions from Consumers	7.90	Nil
Statutory Consumer Reserves	191.57	179.00
Liabilities towards Consumers	40.25	12.61
Other Liabilities	27.42	24.84
Total	**554.98**	**499.76**

Notes to the Standalone Financial Statements

29. Current Borrowings - At Amortised Cost

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Unsecured		
From Banks		
(a) Bill Discounting	54.09	Nil
(b) Term Loans		
(i) Repayable on Demand	620.00	999.69
(ii) Others	640.00	360.00
(c) Bank Overdraft - Repayable on Demand	57.38	Nil
From Related Parties	600.00	777.20
From Others		
Commercial Paper [maximum amount outstanding during the year is ₹ 6, 900 crore (March 31, 2021 - ₹ 6, 925 crore)]	1,389.92	3,523.81
	3,361.39	**5,660.70**
Secured		
From Banks		
(a) Term Loans	60.00	60.00
	60.00	**60.00**
Current Maturities of Non-current Borrowings (Refer Note 22)	3,199.02	2,157.54
Total	**6,620.41**	**7,878.24**

Notes:

1. The rate of interest for term loans from banks ranges from 4.60% to 9.50% (March 31, 2021 - 6.50% to 9.50%) and loan from others is 3.42% to 6.99% (March 31, 2021 - 3.13% to 7.50%).
2. The term loan mentioned in (a) above have been secured by pari passu first charge over all current assets of the Company, present and future, except for specific wind assets.

Current borrowings secured against current assets

The quarterly returns or statements of current assets filed by the Company with the banks or financial institutions are in agreement with the books of accounts except as follows:

Quarter ended	Value per books of account	Value per quarterly return / statement	Discrepancy
June 30, 2021	Nil	₹ 625 crore	Unapproved regulatory asset included and disclosed as Approved*
September 30, 2021	Nil	₹ 709 crore	
December 31, 2021	Nil	₹ 677 crore	
March 31, 2022	Nil	₹ 867 crore	
December 31, 2021	₹ 1,920 crore	₹ 1,964 crore	Excess debtors reported by ₹ 44 crore#

* While submitting the quarterly statements for all four quarters during the year, the Company inadvertently included and disclosed unapproved regulatory balances as approved. However, subsequent to year end, the Company has communicated to Bank about the said discrepancy. Further, Bank has confirmed that the intention was not to exclude unapproved balances from the receivable and has initiated the process to change the sanction letter wherein total regulatory asset balance should be considered as receivables for the purpose of sanction limit.

Subsequent to year end, Company has submitted the revised statement for quarter ended December 2021 and receivable balances as per revised statements are in agreement with the books of accounts.

Notes to the Standalone Financial Statements

30. Current Tax Liabilities

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Income Tax Payable (Net)	107.67	135.17
Total	**107.67**	**135.17**

31. Revenue from Operations

Revenue recognition

Accounting Policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Description of performance obligations are as follows :

(i) Sale of Power - Generation (Thermal and Hydro): Regulated

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered.

The Company as per the prevalent tariff regulations is required to recover its Annual Revenue Requirement ('ARR') comprising of expenditure on account of fuel cost, operations and maintenance expenses, financing costs, taxes and assured return on regulator approved equity with additional incentive for operational efficiencies. Accordingly, rate per unit is determined using input method based on the Company's efforts to the satisfaction of a performance obligation to deliver power.

As per tariff regulations, the Company determines ARR and any surplus/shortfall in recovery of the same is accounted as revenue.

(ii) Sale of Power - Generation: Non-regulated

Revenue from sale of power is recognised net of cash discount, rebate, etc. when the power is supplied as it best depicts the value to the customer and complete satisfaction of performance obligation.

Variable Consideration forming part of the total transaction price including compensation on account of change in law will be allocated and recognised when the terms of variable payment relate specifically to the Company's efforts to satisfy the performance obligation i.e. in the year of occurrence of event linked to variable consideration.

The transaction price has been adjusted for significant financing component, if any and the adjustment is accounted as finance cost. The difference between the revenue recognised and amount invoiced has been presented as deferred revenue/ unbilled revenue.

(iii) Sale of Power - Generation (Wind and Solar)

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the contracted rate.

(iv) Transmission of Power

Revenue from transmission of power is recognised net of cash discount over time for transmission of electricity. The Company as per the prevalent tariff regulations is required to recover its Annual Revenue Requirement ('ARR') comprising of expenditure on account of operations and maintenance expenses, financing costs, taxes and assured return on regulator approved equity with additional incentive for operational efficiencies. Input method is used to recognize revenue based on the Company's efforts or inputs to the satisfaction of a performance obligation to deliver power. As per tariff regulations, the Company determines ARR and any surplus/shortfall in recovery of the same is accounted as revenue.

(v) Sale of Power - Distribution

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the pre determined rate.

Notes to the Standalone Financial Statements

31. Revenue from Operations (Contd.)

(vi) Rendering of Services

Revenue from a contract to provide services is recognised over time based on : Input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue, including estimated fees or profits, are recorded proportionally based on measure of progress. Output method where direct measurements of value to the customer based on survey's of performance completed to date. Revenue is recognised net of cash discount at a point in time at the contracted rate.

(vii) Consumers are billed on a monthly basis and are given average credit period of 30 to 60 days for payment. Wherever applicable no delayed payment charges ('DPC') is charged for the initial 30 days from the date of receipt of invoice by customers. Thereafter, DPC is charged as per the relevant contracts on the outstanding balance. Revenue in respect of delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realisation supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

(viii) In the regulated operations of the Company where tariff recovered from consumers is determined on cost plus return on equity, the Income tax cost is pass through cost and accordingly the Company recognises Deferred tax recoverable/payable against any Deferred tax expense/ income. The same is included in 'Revenue from Operations' in case of Generation and Transmission business.

There are no significant judgements involved while evaluating the timing as to when customers obtain control of promised goods and services.

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
(a) Revenue from Power Supply and Transmission Charges (Refer Note (i),(ii) and 40(d))	9,443.46	11,628.47
Add/(Less): Income to be adjusted in future tariff determination (Net)	100.00	157.00
Add/(Less): Income to be adjusted in future tariff determination (Net) in respect of earlier years	Nil	(8.53)
Add/(Less): Deferred Tax Recoverable / (Payable)	46.12	44.80
	9,589.58	**11,821.74**
(b) Revenue from Power Supply - Assets Under Finance Lease	1,022.35	942.03
(c) Project/Operation Management Services	206.29	173.88
(d) Income from Finance Lease	79.81	84.66
(e) Other Operating Revenue		
Rental of Land, Buildings, Plant and Equipment, etc.	20.01	13.70
Income in respect of Services Rendered	91.11	60.16
Income from Storage and Terminalling	16.67	16.31
Amortisation of Service Line Contributions	8.64	8.25
Sale of Fly Ash	10.77	13.90
Miscellaneous Revenue	62.70	34.85
	209.90	**147.17**
Total	**11,107.93**	**13,169.48**

Notes to the Standalone Financial Statements

31. Revenue from Operations (Contd.)

Details of Revenue from Contract with Customers

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Total Revenue from Contract with Customers	10,949.69	13,033.09
Add/(Less): Significant Financing Component	(58.95)	(49.59)
Add: Cash Discount/Rebates etc.	94.06	120.64
Total Revenue as per Contracted Price	**10,984.80**	**13,104.14**

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

The aggregate value of performance obligations that are partially unsatisfied as at March 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹ 71,547.14 crore (March 31, 2021 - ₹ 1,06,758.95 crore). Out of this, the Company expects to recognize revenue of around 11.11% within next one year and the remaining thereafter.

Note:

(i) With respect to Mundra Power Plant, the Company has initiated the discussions with Gujarat Urja Vikas Nigam Limited to enter into a supplementary power purchase agreement (SPPA). The discussions are at very advanced stage and agreement is reached except few items for which discussions are ongoing and accordingly the SPPA is yet to be signed and approved. To ensure continuous supply of power, GUVNL has requested the Company to continue supplying power based on the SPPA which will be effective January 1, 2022. Accordingly the differential revenue of ₹ 324.00 crore has been recognized on the basis of the current agreed draft of SPPA for the period from January 2022 to March 2022. Management believes that the Company has an enforceable right to recover the tariff as per draft SPPA and does not expect any significant reversal in the amount recognised as revenue.

(ii) As per power purchase agreement for Mundra Power Plant, the Company's entitlement to capacity revenue is dependent on availability declared. Accordingly, the Company accrues capacity revenue based on actual declared capacity in the past and for the current year. During the year ended March 31, 2022, based on the actual capacity declared, management has recognized an amount of ₹ 230.47 crore (including ₹ 123.27 crore relating to earlier years) as a reduction in revenue.

Revenue is disaggregated by type and nature of product or services. The table also includes the reconciliation of the disaggregated revenue with the Company's reportable segment.

	Revenue from Contracts with Customers		Others		Total	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Generation of Power - Thermal and Hydro						
Sale of Power	5,142.08	8,365.15	Nil	Nil	5,142.08	8,365.15
Sale of Power from Assets Under Lease	1,022.35	942.03	Nil	Nil	1,022.35	942.03
Project/Operation Management Services	178.07	144.60	Nil	Nil	178.07	144.60
Income from Finance Lease	Nil	Nil	77.68	84.66	77.68	84.66
Others	13.31	16.98	29.08	18.74	42.39	35.72
Total (A)	**6,355.81**	**9,468.76**	**106.76**	**103.40**	**6,462.57**	**9,572.16**

Notes to the Standalone Financial Statements

31. Revenue from Operations (Contd.)

	Revenue from Contracts with Customers		Others		Total	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Generation of Power - Wind and Solar						
Sale of Power	0.05	107.70	Nil	Nil	0.05	107.70
Others	Nil	Nil	0.04	Nil	0.04	Nil
Total (B)	**0.05**	**107.70**	**0.04**	**Nil**	**0.09**	**107.70**
Transmission and Distribution of Power						
Transmission of Power	975.64	828.79	Nil	Nil	975.64	828.79
Distribution of Power	3,465.23	2,520.09	Nil	Nil	3,465.23	2,520.09
Net Movement in Regulatory Deferral Balances	Nil	Nil	134.35	299.62	134.35	299.62
Project/Operation Management Services	22.04	22.45	Nil	Nil	22.04	22.45
Others	9.92	10.82	37.74	27.23	47.66	38.05
Total (C)	**4,472.83**	**3,382.15**	**172.09**	**326.85**	**4,644.92**	**3,709.00**
Others (D)	**51.25**	**34.40**	**2.15**	**Nil**	**53.40**	**34.40**
Unallocable Revenue (E)	**69.75**	**40.08**	**11.55**	**5.76**	**81.30**	**45.84**
Revenue from Continuing Operations (including Net Movement in Regulatory Deferral Balances) (A + B + C +D + E)	**10,949.69**	**13,033.09**	**292.59**	**436.01**	**11,242.28**	**13,469.10**
Revenue from Discontinued Operations	**Nil**	**193.63**	**Nil**	**Nil**	**Nil**	**193.63**

Reconciliation of Revenue	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Revenue from Continuing Operations as per above table	11,242.28	13,469.10
Less: Net Movement in Regulatory Deferral Balances	134.35	299.62
Total Revenue from Operations	**11,107.93**	**13,169.48**

Contract Balances	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Contract Assets		
Recoverable from Consumers		
Non-current	1,408.30	1,161.06
Total Contract Assets	**1,408.30**	**1,161.06**
Contract liabilities		
Liabilities towards Consumers		
Non-current	610.77	511.56
Current	40.25	12.61
Total Contract Liabilities	**651.02**	**524.17**
Receivables		
Trade Receivables (Gross)	1,191.16	1,750.95
Unbilled Revenue for passage of time	58.86	75.37
Recoverable from Consumers	98.68	75.67
(Less): Allowances for Doubtful Debts	(164.51)	(171.08)
Net Receivables	**1,184.19**	**1,730.91**
Total	**3,243.51**	**3,416.14**

Notes to the Standalone Financial Statements

31. Revenue from Operations (Contd.)

Contract assets

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are transferred to receivables when the rights become unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Opening Balance		
Recoverable from consumers	1,161.06	960.84
Liabilities towards consumers	(524.17)	(487.60)
(A)	**636.89**	**473.24**
Income to be adjusted in future tariff determination (Net)	100.00	157.00
Income to be adjusted in future tariff determination in respect of earlier years (Net)	Nil	(8.53)
Movement in Deferred Revenue Liability	(99.21)	(84.72)
Refund to customers (including Company's distribution business)	67.41	57.58
Deferred tax recoverable/(payable)	46.12	44.80
Others	6.07	(2.48)
(B)	**120.39**	**163.65**
Closing Balance		
Recoverable from consumers	1,408.30	1,161.06
Liabilities towards consumers	(651.02)	(524.17)
(A + B)	**757.28**	**636.89**

32. Other Income

Accounting Policy

Dividend and Interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
(a) Interest Income		
(i) On Financial Assets carried at Amortised Cost		
Interest on Banks Deposits	1.57	3.44
Interest on Overdue Trade Receivables (Refer note 31 (ii))	107.05	45.49
Interest on Non-current Investment	12.19	10.96
Interest on Non-current Investment - Deferred Tax Liability Fund	0.10	0.84
Interest on Financial Assets - Subsidiaries	125.66	119.38
Other Interest	3.79	0.51
	250.36	**180.62**

Notes to the Standalone Financial Statements

32. Other Income (Contd.)

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
(b) Dividend Income		
From Non-current Investments		
Subsidiaries	2,516.94	941.51
Joint Ventures	112.11	47.74
Associates	1.78	Nil
Others - Equity Investments designated as FVTOCI	9.12	8.25
	2,639.95	**997.50**
(c) Gain/(Loss) on Investments		
Gain on sale/Fair Value of current investment measured at FVTPL	8.43	23.49
	8.43	**23.49**
(d) Other Non-operating Income		
Guarantee Commission from Subsidiaries and Joint Ventures	25.51	21.82
Gain/(Loss) on Disposal of Property, Plant and Equipment (Net)	(10.77)	17.21
Delayed Payment Charges	5.75	7.02
Liability Written Back (Refer Note Below)	49.25	Nil
Other Income	18.63	12.53
	88.37	**58.58**
Total	**2,987.11**	**1,260.19**

Note:

Liability written back includes, reversal of provision pertaining to fly ash of ₹ 21.74 crore recognised in earlier years pursuant to an order passed by National Green Tribunal on February 12, 2020. During the year, Ministry of Environment, Forest and Climate Change (MoEF&CC) issued a Notification on 31st December, 2021 prescribing timelines and manner of utilization of legacy ash as on the date of the notification. The Company believes that it will be able to utilize the legacy fly ash within the revised applicable timeline and accordingly the fly ash provision is reversed.

33. Employee Benefits Expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Salaries and Wages	587.74	559.18
Contribution to Provident Fund	21.64	21.36
Contribution to Superannuation Fund	7.16	7.84
Gratuity	9.44	16.00
Compensated Absences	21.12	13.75
Pension	18.28	15.23
Staff Welfare Expenses	112.81	101.69
	778.19	**735.05**
Less:		
Employee Cost Capitalised	30.49	27.12
Employee Cost Inventorised	10.11	10.44
	40.60	**37.56**
Total	**737.59**	**697.49**

Notes to the Standalone Financial Statements

34. Finance Costs

Accounting Policy

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
(a) Interest Expense:		
On Borrowings - At Amortised Cost		
Interest on Debentures	1,066.10	944.06
Interest on Loans - Banks,Financial Institutions and Commercial Papers	688.03	1,119.73
Interest on Loans - Related Parties	21.76	10.36
Others		
Interest on Consumer Security Deposits - At Amortised cost	10.36	11.05
Interest on Lease Liabilities - At Amortised cost	275.36	270.14
Other Interest and Commitment Charges	13.79	15.72
	2,075.40	**2,371.06**
Less: Interest Capitalised	8.23	8.38
Less: Interest Inventorised	15.76	10.23
	2,051.41	**2,352.45**
(b) Other Borrowing Costs:		
Other Finance Costs	137.53	144.23
	137.53	**144.23**
Total	**2,188.94**	**2,496.68**

Note:
The weighted average capitalisation rate on the Company's general borrowings is 6.90 % p.a. (March 31, 2021 - 7.64 % p.a.).

35. Other Expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Consumption of Stores and Oil	71.70	58.42
Rental of Land, Buildings, Plant and Equipment	25.11	12.17
Repairs and Maintenance -		
(i) To Buildings and Civil Works	116.84	91.14
(ii) To Machinery and Hydraulic Works	355.94	343.79
(iii) To Furniture and Vehicles	5.94	5.75
	478.72	**440.68**
Rates and Taxes	54.97	53.38
Insurance	65.69	70.44
Other Operation Expenses	99.22	100.57

Notes to the Standalone Financial Statements

35. Other Expenses (Contd.)

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Ash Disposal Expenses	10.25	14.01
Travelling and Conveyance Expenses	21.94	17.47
Consultants' Fees	23.02	17.08
Auditors' Remuneration	6.40	5.92
Cost of Services Procured	121.27	110.12
Bad Debts	2.27	2.43
Net (gain)/ Loss on Foreign Exchange	128.88	58.78
Allowance for Doubtful Debts and Advances (Net)	(10.78)	16.62
Legal Charges	24.46	18.54
Corporate Social Responsibility	2.09	3.67
Transfer to Statutory Consumer Reserve	12.57	11.00
Miscellaneous Expenses	59.68	57.74
Total	**1,197.46**	**1,069.04**

(i) Payment to the auditors

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
For Statutory Audit	4.73	4.42
For Taxation Matters	0.20	0.19
For Other Services	0.48	0.39
For Reimbursement of Expenses	0.01	0.03
Goods and Service Tax on above	0.98	0.89
Total	**6.40**	**5.92**

(ii) Corporate Social Responsibility

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Contribution to Tata Power Community Development Trust	1.46	3.50
Other expenses	0.63	0.17
Total	**2.09**	**3.67**
Amount required to be spent as per section 135 of the Companies Act 2013.	2.09	3.67
Amount spent during the year on:		
(a) Construction/Acquisition of asset	Nil	Nil
(b) On purposes other than (a) above	2.09	3.67

Notes to the Standalone Financial Statements

36. Income taxes

Accounting Policy

Current Tax

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

Current income tax related to items recognised outside Statement of Profit and Loss are recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

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

Deferred tax related to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

(i) Income Tax Expenses

1. Income taxes recognised in the Statement of Profit and Loss (Continuing Operations)

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Current tax	Nil	206.60
Current tax in respect of earlier years (Refer Note a and c)	(105.11)	Nil
Deferred tax	(8.91)	(105.20)
Deferred tax relating to earlier years (Refer Note b)	(738.56)	Nil
Deferred tax remeasurement on account of transition of New Tax regime (Net) (Refer Note c)	359.62	Nil
Total income tax expense	**(492.96)**	**101.40**

Note:

a Subsequent to the merger of Coastal Gujarat Power Limited (CGPL) with the Company with effect from April 1, 2020, the Company has reassessed its provision for current taxes and has written back an amount of ₹87.30 crore relating to previous year.

Notes to the Standalone Financial Statements

36. Income taxes (Contd.)

b The Company has also reassessed the recoverability of unabsorbed depreciation and brought forward tax losses of CGPL and has recognized deferred tax asset amounting to ₹ 968.56 crore and has written off deferred tax asset on capital losses amounting to ₹230.00 crore.

c The Company has transitioned to the new tax regime effective April 1, 2020 and accordingly, during the year, the Company had remeasured its tax balances and reversed the deferred tax asset amounting to ₹359.62 crore and written back current tax provision amounting to ₹17.81 crore.

2. Income taxes recognised in the Statement of Profit and Loss (Discontinued Operations)

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Current tax	Nil	(101.48)
Deferred tax	Nil	(72.17)
Total income tax expense	**Nil**	**(173.65)**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Profit/(Loss) before tax Continuing Operation	2,757.80	441.11
Profit/(Loss) before tax Discontinuing Operation	(467.83)	(219.84)
Profit/(Loss) Before Tax	**2,289.97**	**221.27**
Income tax expense @25.17% (March 31, 2021: 34.944%)	576.39	77.32
Add/(Less) tax effect on account of :		
Provision for impairment	144.64	Nil
Utilisation of unrecognised capital loss on sale of investment/asset	(382.21)	(11.52)
Effect of tax holiday period	Nil	(66.77)
Deduction under section 80M	Nil	(146.65)
Profit taxable at different rates	Nil	(11.42)
Deferred Tax Asset on losses and MAT credit not recognised	Nil	189.72
Non-Deductible expenses	5.41	49.50
Deferred tax asset in respect of earlier years (Refer Note 36(i)(b))	(968.56)	Nil
Utilisation of unrecognised unabsorbed depreciation	(353.14)	Nil
Current tax in respect of earlier years - (Refer Note 36(i) (a) and (c))	(105.11)	Nil
Remeasurement of deferred tax balances on the expected sale of assets/investments (Refer Note 36(i) (b) and Note 1 below)	230.00	(131.00)
Remeasurement of deferred tax on account of transition to new tax regime (Refer Note 36(i)(c)	359.62	Nil
Measurement of deferred tax at 25.17% expected to be reversed in the new tax regime	Nil	(20.38)
Others	Nil	(1.05)
Income tax expenses recognised in Statement of Profit and Loss	**(492.96)**	**(72.25)**
Tax expense for the Continuing Operations	(492.96)	101.40
Tax expense for the Discontinued Operations	Nil	(173.65)
Income tax expense recognised in Statement of Profit and Loss	**(492.96)**	**(72.25)**

Notes:

1 During the previous year, the Company had entered into a Business Transfer Agreement with Tata Power Renewable Energy Limited and Tata Power Green Energy Limited, wholly owned subsidiaries, for transfer of renewable assets (forming part of renewable segment) as a "going concern" on a slump sale basis effective on or after April 1, 2021. Consequently, as per the requirement of Ind AS 12, the Company

Notes to the Standalone Financial Statements

36. Income taxes (Contd.)

had reassessed its deferred tax balances including its unrecognized deferred tax assets on capital losses and had recognized gain of ₹ 131.00 crore in the Standalone Financial Statements.

3. Income tax recognised in other comprehensive income

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Current Tax		
Remeasurement of defined benefit obligation	Nil	Nil
Deferred tax		
Remeasurements of defined benefit obligation	2.43	4.61
Total income tax recognised in other comprehensive income	**2.43**	**4.61**
Items that will not be reclassified to Statement of Profit and Loss	2.43	4.61

(ii) Deferred Tax

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Deferred Tax Assets	4,140.70	3,878.50
Deferred Tax Liabilities	3,890.70	4,013.93
Deferred Tax Liabilities/(Assets) (Net)	**(250.00)**	**135.43**

2021-22	Opening balance	Recognised in profit or loss (including discontinued operation)	Recognised in other comprehensive Income (including discontinued operation)	Closing balance
	₹ crore	₹ crore	₹ crore	₹ crore
Deferred tax assets in relation to				
Allowance for doubtful debts, deposits and advances	58.60	(11.26)	Nil	47.34
Provision for employee benefits and others	74.00	(31.43)	(2.43)	40.14
Minimum Alternate Tax credit	437.51	(437.51)	Nil	Nil
Impact of measuring derivative financial instrument at fair value	6.90	(4.87)	Nil	2.03
Capital loss on sale of investments and indexation benefit available on investments	492.56	(342.56)	Nil	150.00
Lease liability	633.85	8.62	Nil	642.47
Deferred revenue - Ind AS 115	128.74	24.97	Nil	153.71
Unabsorbed depreciation	2,045.97	1,059.03	Nil	3,105.00
	3,878.13	**264.99**	**(2.43)**	**4,140.70**
Deferred tax liabilities in relation to				
Property, Plant and Equipment (including finance leases)	3,381.97	(108.72)	Nil	3,273.25
Right of use asset	626.74	(14.14)	Nil	612.60
Others	4.85	Nil	Nil	4.85
	4,013.56	**(122.86)**	**Nil**	**3,890.70**
Deferred Tax Liabilities/(Assets) (Net)	**135.43**	**(387.85)**	**2.43**	**(250.00)**

Notes to the Standalone Financial Statements

36. Income taxes (Contd.)

2020-21	Opening balance	Recognised in profit or loss (including discontinued operation)	Recognised in other comprehensive Income (including discontinued operation)	Closing balance
	₹ crore	₹ crore	₹ crore	₹ crore
Deferred tax assets in relation to				
Allowance for doubtful debts, deposits and advances	66.08	(7.48)	Nil	58.60
Provision for employee benefits and others	76.30	2.31	(4.61)	74.00
Minimum Alternate Tax credit	437.51	Nil	Nil	437.51
Impact of measuring derivative financial instrument at fair value	0.15	7.12	Nil	7.27
Capital loss on sale of investments and indexation benefit available on investments	379.97	112.59	Nil	492.56
Lease liability	872.32	(238.47)	Nil	633.85
Deferred revenue - Ind AS 115	149.15	(20.41)		128.74
Unabsorbed depreciation	3,165.80	(1,119.83)	Nil	2,045.97
	5,147.28	**(1,264.17)**	**(4.61)**	**3,878.50**
Deferred tax liabilities in relation to				
Property, Plant and Equipment (including finance leases)	4,529.47	(1147.50)	Nil	3,381.97
Impact of measuring derivative financial instrument at fair value	30.90	(30.53)	Nil	0.37
Right of use asset	889.39	(262.65)	Nil	626.74
Others	5.71	(0.86)	Nil	4.85
	5,455.47	**(1441.54)**	**Nil**	**4,013.93**
Deferred Tax Liabilities/(Assets) (Net)	**308.19**	**(177.37)**	**4.61**	**135.43**

The amount and the expiry of unrecognised deferred tax asset is as detailed below:

As at March 31, 2022	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Closing balance
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Capital loss on sale of investment and indexation benefit*	Nil	407.92	141.96	Nil	549.88
Business loss	Nil	Nil	1,025.36	Nil	1,025.36
Unabsorbed depreciation	Nil	Nil	Nil	134.00	134.00
Minimum Alternate Tax credit	Nil	Nil	Nil	Nil	Nil
Total	**Nil**	**407.92**	**1,167.32**	**134.00**	1,709.24

As at March 31, 2021	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Closing balance
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Capital loss on sale of investment and indexation benefit*	Nil	Nil	501.90	Nil	501.90
Business loss	163.81	504.92	293.23	Nil	961.96
Unabsorbed depreciation	Nil	Nil	Nil	1,788.49	1,788.49
Contingent provision against standard asset	0.11	Nil	Nil	Nil	0.11
Minimum Alternate Tax credit	Nil	4.67	212.98	Nil	217.65
Total	**163.92**	**509.59**	**1,008.11**	**1,788.49**	**3,470.11**

* The unrecognised deferred tax asset on impairment of investments of ₹ 141.96 crores (March 31, 2021 - ₹ 134.61 crore) relating to capital loss shall expire within 8 years from the date of sale of investment.

Notes to the Standalone Financial Statements

37. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

		As at March 31, 2022	As at March 31, 2021
		₹ crore	₹ crore
(a)	Principal amount remaining unpaid	58.28*	23.94
(b)	Interest due thereon	0.55	0.20
		58.83	**24.14**
(c)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(d)	The 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, 2006	Nil	Nil
(e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.75	0.20
(f)	The 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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

* It includes amount payable in the nature of capital creditors as disclosed under note 25 - Other Financial Liabilities

38. Commitments:

(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for ₹ 1,920.97 crore (March 31, 2021 - ₹ 2,060.12 crore.)

(b) Other Commitments

(i) The Company has undertaken to arrange for the necessary financial support to its subsidiaries Bhira Investments Pte. Ltd., Khopoli Investments Ltd., Bhivpuri Investments Ltd., TP Renewable Microgrid Ltd., Tata Power Jamshedpur Distribution Ltd. and Tata Power International Pte. Ltd.

(ii) In respect of Maithon Power Ltd. (MPL), the Company jointly with Damodar Valley Corporation (DVC) has undertaken to the lenders of MPL, to provide support by way of base equity contribution and additional equity or subordinated loans to meet the increase in Project Cost. Further, the Company has given an undertaking to MPL to fulfil payment obligations of Tata Power Trading Company Ltd. (TPTCL) and Tata Power Delhi Distribution Ltd. (TPDDL) in case of their default.

39. Contingent liabilities

Accounting Policy

In the normal course of business, contingent liabilities arise from litigations and claims.It is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses the same.

Notes to the Standalone Financial Statements

39. Contingent liabilities (Contd.)

			As at March 31, 2022	As at March 31, 2021
			₹ crore	₹ crore
Contingent liabilities including:				
a)	**Claims against the Company not probable and hence not acknowledged as debts consists of**			
	(i)	Demand disputed by the Company relating to Service tax on transmission charges received for July 2012 to June 2017 (excluding interest and penalty).	375.29	375.29
	(ii)	Way Leave fees (including interest) claims disputed by the Company relating to rates charged.	53.21	48.47
	(iii)	Custom duty claims disputed by the Company relating to applicability and classification of coal.	110.81	110.81
	(iv)	Access Charges demand for laying underground cables.	24.04	30.14
	(v)	Rates, Cess, Excise and Custom Duty claims disputed by the Company.	7.31	10.20
	(vi)	Other claims against the Company not acknowledged as debts.	42.59	41.68
	(vii)	Applicability of Green cess on generation of electricity.	464.89	446.71
	(viii)	Applicability of Stamp Duty on import of coal	41.00	37.48
	(ix)	Petition seeking approval for additional Short term Renewable Power Purchase for Renewable Power obligation compliance.	9.41	Nil
			1,128.55	**1,100.78**

Notes:

1. Amounts in respect of employee related claims/disputes, regulatory matters is not ascertainable.
2. Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.
3. The above Contingent Liabilities include those pertaining to Regulated Business which on unfavourable outcome can be recovered from consumers.

		As at March 31, 2022	As at March 31, 2021
		₹ crore	₹ crore
b)	**Other Contingent Liabilities:**		
	Taxation matters for which liability is disputed by the Company and not provided for (computed on the basis of assessments which have been re-opened / remaining to be completed).	115.45	152.68
	In an earlier year, Maharashtra State Electricity Distribution Company Limited (MSEDCL) had raised a demand for determination of fixed charges for unscheduled interchange of power. The Company had filed a petition against the said demand for which stay has been granted by the ATE till the methodology for the determination is fixed. Considering the same,currently, the amount of charges payable is not ascertainable and hence, no provision has been recognized during the year. Further, in case of unfavourable outcome, the Company believes that it will be allowed to recover the same from consumers through future adjustment in tariff.	215.02	215.02

			As at March 31, 2022	As at March 31, 2021
			₹ crore*	₹ crore*
c)	**Indirect exposures of the Company:**			
		Guarantees given :		
	(i)	Khopoli Investments Ltd.	946.51 (equivalent to USD 125.01 million)	913.97 (equivalent to USD 125.01 million)
	(ii)	Bhira Investments Pte. Ltd.	1,476.51 (equivalent to USD 195.01 million)	1,425.75 (equivalent to USD 195.01 million)
	(iii)	Tata Power Renewable Energy Ltd.	2,774.66	2,962.87
	(iv)	Tata Power International Pte. Ltd.	754.52 (equivalent to USD 100.19 million)	732.49 (equivalent to USD 100.19 million)
	(v)	Walwhan Renewable Energy Ltd.	164.17	1,320.55
	(vi)	Walwhan Solar TN Ltd.	104.39	33.98
	(vii)	Walwhan Wind RJ Ltd.	105.44	83.28

* The exposure is considered to the extent of borrowings outstanding (including accrued interest) of the respective subsidiaries.

Notes to the Standalone Financial Statements

39. Contingent liabilities (Contd.)

d) The Company has provided a Bank Guarantee of USD 87 Million (₹ 659.34 crore) (March 31, 2021 USD 90 Million (₹ 657.99 crore)) and Corporate Guarantee of USD 32 Million(₹ 242.52crore) (March 31, 2021 USD 40 Million (₹ 292.44 crore)) to Oldendorff as per the affreightment contract entered by Trust Energy Resources Pte. Ltd.

e) The Company had acquired 51 % stake in TP Central Odisha Distribution Limited ('TPCODL'), TP Western Odisha Distribution Limited ('TPWODL') TP Southern Odisha Distribution Limited ('TPSODL') and TP Northern Odisha Distribution Limited ('TPNODL') to carry out the function of distribution and retail supply of electricity covering the distribution circles of central, western, southern and northern parts of Odisha. Pursuant to these acquisition and as per the terms of the vesting order, in previous year the Company has issued bank guarantee to Odisha Electricity Regulatory Commission ('OERC') for TPCODL,TPWODL,TPSODL and TPNODL of ₹ 150.00 crore (March 31, 2021, ₹150.00 crore), ₹150.00 crore (March 31, 2021, ₹150.00 crore), ₹100.00 crore (March 31, 2021, ₹100.00 crore) and ₹150 crore (March 31, 2021, ₹150.00 crore) respectively.

f) The Company has given performance guarantee and letter of credit on behalf of TP Ajmer Distribution Ltd of ₹ 106.17 crore (March 31, 2021 ₹ 106.17 crore) to Ajmer Vidyut Vitran Nigam Ltd as per the distribution franchisee agreement.

g) The Company has given performance guarantee on behalf of Trust Energy Resources Pte. Ltd. to Maxpente Shipping Corporation of USD 10 Million (₹75.78 crore) (March 31, 2021 USD 10 Million (₹73.11 crore)) for its obligation under the cost of affreightment contract.

The Company, in respect of the above mentioned contingent liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

40. Other disputes

a. In the earlier year, the Company had recognised an expense of ₹ 276.35 crore net of amount recoverable from customers including adjustment with consumer reserve in relation to Hon'ble Supreme Court's judgement on standby litigation.

Further in the earlier year, Maharashtra Electricity Regulatory Commission (MERC) vide its order dated March 30, 2020 had allowed the recovery of part of the standby charges amount from the consumers. In the previous year, MERC vide its order dated 21st December, 2020, has revised its earlier order and disallowed the recovery of the said amount. Consequently, the Company had recognized an expense of ₹ 109.29 crore (including carrying cost) and disclosed as an exceptional item.

b. In the earlier year, Maharashtra Electricity Regulatory Commission has disallowed certain costs amounting to ₹ 503.00 crore (adjusted upto the current year) (March 31, 2021 ₹ 419.00 crore) recoverable from consumers in the tariff true up order. The Company has filed appeal against the said order to Appellate Tribunal for Electricity which is pending for final disposal. The Company believes it has a strong case and accordingly no adjustment is required.

c. In an earlier year, Maharashtra Electricity Regulatory Commission has disallowed carrying cost and other costs amounting to ₹ 269.00 crore (March 31, 2021 ₹ 269.00 crore) which was upheld by the Appellate Tribunal for Electricity (ATE). The Company has filed Special Leave Petition (SLP) against the order of ATE with the Supreme Court which is pending for final disposal. The Company believes it has a strong case and accordingly no adjustment is required.

d. The Hon'ble Appellate Tribunal for Electricity (APTEL), vide its order dated April 27, 2021 allowed the appeal with respect to certain claims related to change in law for Mundra Power Plant. Accordingly, the Company has recognized an income amounting to ₹ 351.79 crore during the year ended March 31, 2022 comprising of ₹ 279.87 crore classified as Revenue from Operations (including an amount of ₹268.94 crore relating to earlier years) and ₹ 71.92 crore classified as Other Income (including an amount of ₹ 58.82 crore relating to earlier years). The Consumer has litigated the said order in the Supreme Court. The Company believes it has a strong case and does not expect any significant reversal of revenue.

e. During year ended March 31, 2022, the Company has received Notice of Arbitration (NoA) filed by Kleros Capitals to commence arbitration in Singapore International Arbitration Centre (SIAC) against the Company. The NoA is served pursuant to alleged breach of various sections of Non disclosure agreements (NDA) entered by the Company in earlier years and circumvention of Kleros's economic interests in addition to loss of profits. The Company believes that there has been no use of confidential data and there was no breach to sections of NDA. Based on above assessment and legal opinion obtained, the Company strongly believes that there is strong case and hence no provision is required for the concerned matter of arbitration.

Notes to the Standalone Financial Statements

41. Earnings Per Share (EPS)

Accounting Policy

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

			For the year ended March 31, 2022	For the year ended March 31, 2021
			₹ crore	₹ crore
A.	**EPS - Continuing operations (before net movement in Regulatory Deferral Balances)**			
	Net Profit/ (Loss) from Continuing Operations	A	3,250.76	339.71
	Net movement in Regulatory Deferral Balances	B	134.35	299.62
	Income-tax attributable to Regulatory Deferral Balances	C	(33.82)	(104.70)
	Net movement in Regulatory Deferral Balances (Net of tax)	D=(B+C)	**100.53**	**194.92**
	Net Profit/ (Loss) (before net movement in Regulatory Deferral Balances)	E=(A-D)	3,150.23	144.79
	Less: Distribution on Perpetual Securities (on accrual basis)	F	(29.52)	(171.00)
	Profit/ (Loss) from Continuing Operations attributable to equity shareholders (before net movement in Regulatory Deferral Balances)	G=(E+F)	**3,120.71**	**(26.21)**
	No. of Equity Shares		**3,19,81,71,607**	**3,01,80,73,391**
	Weighted average number of equity shares for Basic and Diluted EPS		**3,19,81,71,607**	**3,01,80,73,391**
	EPS - Continuing Operations (before net movement in Regulatory Deferral Balances)			
	- Basic and Diluted (In ₹)		**9.76**	**(0.09)**
B.	**EPS - Continuing Operations (after net movement in Regulatory Deferral Balances)**			
	Net Profit/ (Loss) from Continuing Operations		3,250.76	339.71
	Less: Distribution on Perpetual Securities (on accrual basis)		(29.52)	(171.00)
	Profit/ (Loss) attributable to equity shareholders (after net movement in Regulatory Deferral Balances)		**3,221.24**	**168.71**
	Weighted average number of equity shares for Basic and Diluted EPS		**3,19,81,71,607**	**3,01,80,73,391**
	EPS - Continuing operations (after net movement in Regulatory Deferral Balances)			
	- Basic and Diluted (In ₹)		**10.07**	**0.56**

Notes to the Standalone Financial Statements

41. Earnings Per Share (EPS) (Contd.)

		For the year ended March 31, 2022	For the year ended March 31, 2021
		₹ crore	₹ crore
C.	**EPS - Discontinued operations**		
	Net Profit/ (Loss) from Discontinued Operations	**(467.83)**	**(46.19)**
	Weighted average number of equity shares for Basic and Diluted EPS	**3,19,81,71,607**	**3,01,80,73,391**
	EPS - Discontinued Operations		
	- Basic and Diluted (In ₹)	**(1.46)**	**(0.15)**
D.	**EPS - Total Operations (after net movement in Regulatory Deferral Balances)**		
	Net Profit/(Loss) from Operations (after net movement in Regulatory Deferral Balances)	2,782.93	293.52
	Less: Distribution on Perpetual Securities (on accrual basis)	(29.52)	(171.00)
	Net Profit/ (Loss) from Total Operations attributable to equity shareholders (after net movement in Regulatory Deferral Balances)	**2,753.41**	**122.52**
	Weighted average number of equity shares for Basic and Diluted EPS	**3,19,81,71,607**	**3,01,80,73,391**
	EPS - Total Operations (after net movement in Regulatory Deferral Balances)		
	- Basic and Diluted (In ₹)	**8.61**	**0.41**

All numbers are in ₹ crore except weighted average number of equity shares and Basic and Diluted EPS.

42. Related Party Disclosures:

Disclosure as required by Ind AS 24 - ''Related Party Disclosures'' is as follows:

Names of the related parties and description of relationship:

(a) Related parties where control exists:

(i) Subsidiaries

1) Af-Taab Investment Company Ltd (Merged with the Company. Refer Note 47).
2) Tata Power Solar Systems Ltd.
3) Tata Power Trading Company Ltd.
4) Tata Power Green Energy Ltd.
5) NELCO Ltd.
6) Tatanet Services Ltd. **(Now merged with the Nelco Ltd w.e.f. June 9, 2021)
7) Maithon Power Ltd.
8) Coastal Gujarat Power Ltd (Merged with the Company. Refer Note 47).
9) Tata Power Renewable Energy Ltd.
10) TP Renewable Microgrid Ltd.
11) Bhira Investments Pte Limited
12) Bhivpuri Investments Ltd.
13) Khopoli Investments Ltd.
14) Tata Power International Pte. Ltd.
15) Trust Energy Resources Pte. Ltd.** (Ceased to be direct subsidiary w.e.f July 22, 2021)
16) Tata Power Jamshedpur Distribution Ltd.
17) NDPL Infra Ltd. **
18) Supa Windfarm Ltd.
19) PT Sumber Energi Andalan Tbk **
20) Nivade Windfarm Ltd. **
21) TCL Ceramics Ltd. (Ceased to be a subsidiary w.e.f March 24, 2022)
22) Walwhan Renewable Energy Ltd. **
23) Poolavadi Windfarm Ltd. **
24) Walwhan Solar AP Ltd. **

Notes to the Standalone Financial Statements

42. Related Party Disclosures: (Contd.)

25) TP Wind Power Limited
26) Northwest Energy Pvt. Ltd. **
27) Walwhan Urja Anjar Ltd. **
28) Dreisatz MySolar24 Pvt. Ltd. **
29) Walwhan Solar Raj Ltd. **
30) Walwhan Energy RJ Ltd. **
31) Walwhan Solar Energy GJ Ltd. **
32) Walwhan Solar MH Ltd. **
33) MI MySolar24 Pvt. Ltd. **
34) Walwhan Solar PB Ltd. **
35) Walwhan Solar MP Ltd. **
36) Walwhan Wind RJ Ltd. **
37) Walwhan Solar KA Ltd. **
38) Walwhan Solar BH Ltd. **
39) Walwhan Solar RJ Ltd. **
40) Walwhan Urja India Ltd. **
41) Walwhan Solar TN Ltd. **
42) Chirasthaayee Saurya Ltd. **
43) Clean Sustainable Solar Energy Pvt. Ltd. **
44) Vagarai Windfarm Ltd. **
45) Solarsys Renewable Energy Pvt. Ltd. **
46) Far Eastern Natural Resources LLC **
47) Nelco Network Products Ltd. **
48) Tata Power Delhi Distribution Ltd.
49) TP Ajmer Distribution Ltd.
50) TP Kirnali Ltd.**
51) TP Solapur Ltd.**
52) TP Kirnali Solar Ltd. (w.e.f. July 23, 2020)
53) TP Central Odisha Distribution Ltd. (w.e.f. June 1, 2020)
54) TP Akkalkot Renewable Ltd (w.e.f. August 11, 2020)
55) TP Western Odisha Distribution Ltd. (w.e.f. January 1, 2021)
56) TP Solapur Solar Ltd. (w.e.f. July 29, 2020)
57) TP Southern Odisha Distribution Ltd. (w.e.f. January 1, 2021)
58) TP Solapur Saurya Ltd (w.e.f. May 27, 2021)
59) TP Saurya Ltd (w.e.f. August 2, 2020)
60) TP Roofurja renewable Ltd (w.e.f. August 22, 2020)
61) TP Northern Odisha Distribution Ltd. (w.e.f. April 1, 2021)

** Through Subsidiary Companies

(ii) Employment Benefit Funds

1) Tata Power Superannuation Fund
2) Tata Power Gratuity Fund
3) Tata Power Consolidated Provident Fund

(b) Other related parties (where transactions have taken place during the year or previous year / balances outstanding) :

(i) Associates and its related entities

1) Tata Projects Ltd.
2) Yashmun Engineers Ltd.
3) The Associated Building Co. Ltd.
4) Dagacchu Hydro Power Corporation Ltd.
5) Brihat Trading Pvt Ltd.
6) Ind Project Engineering (Sanghai) Co Ltd **
7) TP Luminaire Pvt Ltd. **
8) Tata Projects Provident Fund Trust*

* Fund of Associates

** 100% Subsidiary of Associates

(ii) Joint Venture Companies

1) Tubed Coal Mines Ltd.
2) Mandakini Coal Company Ltd.
3) Powerlinks Transmission Ltd.
4) Itezhi Tezhi Power Corporation
5) PT Antang Gunung Meratus**
6) PT Kaltim Prima Coal**

Notes to the Standalone Financial Statements

42. Related Party Disclosures: (Contd.)

7) Adjaristsqali Netherlands BV**
8) Industrial Energy Ltd.
9) LTH Milcom Pvt. Ltd.
10) Dugar Hydro Power Ltd.
11) Renascent Power Ventures Pvt. Ltd. **
12) Prayagraj Power Generation Co Ltd. **
13) Adjaristsqali Georgia LLC **
14) PT Arutmin Indonesia **
15) PT Baramulti Suksessarana Tbk**

** Joint Venture of Subsidiaries

(c) (i) Promoters holding more than 20% - 'Promoter'

1) Tata Sons Pvt. Ltd.

(ii) Subsidiaries and Jointly Controlled Entities of Promoter - Promoter Group (where transactions have taken place during the year or previous year / balances outstanding) :

1) Ewart Investments Ltd.
2) Tata AIG General Insurance Company Ltd.
3) Tata Industries Ltd.
4) Tata Communications Ltd.
5) Tata Investment Corporation Ltd.
6) Tata International Ltd.
7) Tata Consultancy Services Ltd.
8) Tata Ltd.
9) Tata Realty and Infrastructure Ltd.
10) Tata Sky Ltd.
11) Infiniti Retail Ltd.
12) Ecofirst Services Ltd.
13) Tata Consulting Engineers Ltd.
14) Tata Housing Development Co. Ltd. Employees Provident Fund
15) Niskalp Infrastructure Services Ltd. (Formerly Niskalp Energy Ltd.)
16) Tata Consultancy Services Employees Provident Fund
17) Tata Housing Development Company Ltd.
18) Tata AIA Life Insurance Company Ltd.
19) Tata Capital Financial Services Ltd.
20) Tata Teleservices Ltd.
21) Tata Teleservices (Maharashtra) Ltd.
22) Tata Communications Payment Solutions Ltd.
23) Tata Advanced System Ltd.
24) Tata International DLT Pvt Ltd
25) Tata International Singapore Ltd.
26) Tata Autocomp Systems Limited
27) Tata Medical and diagnostic Ltd.

(d) Key Management Personnel

1) N. Chandrasekaran, Non-Executive Director
2) Praveer Sinha, CEO and Managing Director
3) Banmali Agrawala, Non-Executive Director
4) Saurabh Agrawal, Non-Executive Director
5) Kesava Menon Chandrasekhar, Independent Director
6) Ashok Sinha, Independent Director
7) Vibha U. Padalkar, Independent Director
8) Anjali Bansal, Independent Director
9) Sanjay V. Bhandarkar, Independent Director
10) Hemant Bhargava, Nominee Director
11) Ramesh N. Subramanyam, Chief Financial Officer (upto December 31, 2021)
12) Hanoz Minoo Mistry, Company Secretary
13) Sanjeev Churiwala, Chief Financial Officer (w.e.f January 1, 2022)

(e) Relative of Key Managerial Personnel (where transactions have taken place during the year or previous year / balances outstanding) :

1) Neville Minoo Mistry (Brother of Hanoz Minoo Mistry - Company Secretary)

Notes to the Standalone Financial Statements

42. Related Party Disclosures: (Contd.)

(f) Details of Transactions:

Sr. No.	Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel & their relatives	Employee Benefit Funds / Trust	Promoter Group	Promoter
		₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
1)	Purchase of goods/power (Net of Discount Received on Prompt Payment)	238.85	15.79	2,174.75	Nil	Nil	121.92	Nil
		64.49	Nil	2,721.92	Nil	Nil	302.54	Nil
2)	Sale of goods/power (Net of Discount on Prompt Payment)	301.45	0.16	0.04	Nil	Nil	14.85	Nil
		176.37	0.02	Nil	Nil	Nil	15.59	Nil
3)	Purchase of Property, Plant and Equipment and Intangibles	232.89	158.80	Nil	Nil	Nil	21.44	Nil
		86.07	0.70	Nil	Nil	Nil	7.82	Nil
4)	Sale of Property, Plant and Equipment	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		0.02	Nil	Nil	0.00#	Nil	0.68	Nil
5)	Rendering of services	115.82	6.34	156.33	Nil	Nil	13.58	2.07
		125.04	7.59	83.48	Nil	Nil	9.11	2.38
6)	Receiving of services	412.38	12.95	0.06	Nil	Nil	69.33	0.33
		873.29	21.22	0.06	0.18	Nil	40.93	1.23
7)	Brand equity contribution	Nil	Nil	Nil	Nil	Nil	Nil	28.77
		Nil	Nil	Nil	Nil	Nil	Nil	16.26
8)	Contribution to Employee Benefit Plans	Nil	Nil	Nil	Nil	27.37	Nil	Nil
		Nil	Nil	Nil	Nil	29.93	Nil	Nil
9)	Guarantee, collaterals etc. given	795.61	Nil	Nil	Nil	Nil	Nil	Nil
		3,872.34$	Nil	Nil	Nil	Nil	Nil	Nil
10)	Guarantee, collaterals etc. cancelled	1,875.91	Nil	Nil	Nil	Nil	Nil	Nil
		2,125.95$	Nil	Nil	Nil	Nil	Nil	Nil
11)	Sale of Renewable Net Assets (Refer PPE Note No. 5(a)(v))	169.30	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil
12)	Remuneration paid - short term employee benefits	Nil	Nil	Nil	19.22*	Nil	Nil	Nil
		Nil	Nil	Nil	12.55*	Nil	Nil	Nil
13)	Short term employee benefits paid	Nil	Nil	Nil	0.23	Nil	Nil	Nil
		Nil	Nil	Nil	0.13	Nil	Nil	Nil
14)	Interest income	125.66	Nil	Nil	Nil	Nil	Nil	Nil
		119.38	Nil	0.00#	Nil	Nil	0.00#	Nil
15)	Interest paid (including distribution on unsecured perpetual securities)	21.76	0.01	Nil	Nil	Nil	7.81	Nil
		10.28	0.08	0.09	Nil	Nil	26.44	Nil
16)	Dividend income	2,516.97	1.78	112.11	Nil	Nil	2.29	6.67
		941.55	Nil	47.74	Nil	Nil	0.00	6.67
17)	Dividend paid	Nil	Nil	Nil	Nil	Nil	2.11	223.90
		Nil	Nil	Nil	Nil	Nil	2.11	147.86
18)	Guarantee commission earned	25.51	Nil	Nil	Nil	Nil	Nil	Nil
		21.82	Nil	Nil	Nil	Nil	Nil	Nil

Notes to the Standalone Financial Statements

42. Related Party Disclosures: (Contd.)

Sr. No.	Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel & their relatives	Employee Benefit Funds / Trust	Promoter Group	Promoter
		₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
19)	Loan Taken	1,251.80	Nil	Nil	Nil	Nil	Nil	Nil
		1,373.04	Nil	120.00	Nil	Nil	Nil	Nil
20)	Loans given	5,038.07	Nil	Nil	Nil	Nil	Nil	Nil
		3,743.55	Nil	2.60	Nil	Nil	Nil	Nil
21)	Impairment in value of Investments	106.82	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil
22)	Reversal of Impairment of Investments/provision for doubtful loans	2.50	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	8.00	Nil	Nil	Nil	Nil
23)	Equity contribution (includes advance towards equity contribution, rights issue and perpetual bonds)	192.30	573.27	Nil	Nil	Nil	Nil	Nil
		637.08	Nil	Nil	Nil	Nil	2.89	Nil
24)	Loans taken repaid	1,429.00	Nil	Nil	Nil	Nil	Nil	Nil
		601.29	Nil	120.00	Nil	Nil	Nil	Nil
25)	Loans repaid	4,994.00	Nil	Nil	Nil	Nil	Nil	Nil
		2,503.75	Nil	2.60	Nil	Nil	Nil	Nil
26)	Conversion of Loan Given into Perpetual Securities	56.15	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil
27)	Deposits taken	0.88	Nil	Nil	Nil	Nil	1.27	Nil
		22.50	Nil	Nil	Nil	Nil	0.01	Nil
28)	Deposits Refunded	Nil	Nil	Nil	Nil	Nil	0.12	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil
29)	Impairment of Receivable of Strategic Engineering Division	Nil	Nil	Nil	Nil	Nil	467.83	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil
30)	Advance Given	0.06	80.38	Nil	Nil	Nil	0.02	Nil
		0.01	110.85	Nil	Nil	Nil	Nil	Nil
31)	Advance adjusted	Nil	13.54	Nil	Nil	Nil	0.02	Nil
		Nil	2.51	Nil	Nil	Nil	Nil	Nil
32)	Bad Debts	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	1.16	Nil	Nil	Nil	Nil	Nil
33)	Sale of Investments	2,126.88	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil
34)	Allotment of Equity shares (including securities premium paid)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	2,600.00
35)	Consideration received on Sale of SED (Note 18c)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	597.00**	Nil
36)	Redemption of Unsecured Perpetual Securities	Nil	0.70	Nil	Nil	Nil	197.50	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes to the Standalone Financial Statements

42. Related Party Disclosures: (Contd.)

Sr. No.	Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel & their relatives	Employee Benefit Funds / Trust	Promoter Group	Promoter
		₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
(g)	**Balances outstanding**							
1)	Unsecured Perpetual Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	0.70	Nil	Nil	Nil	197.50	Nil
2)	Redeemable Non-Convertible Debentures	Nil	Nil	Nil	Nil	Nil	36.50	Nil
		Nil	Nil	Nil	Nil	Nil	36.50	Nil
3)	Investments	8,573.27	765.89	1,100.19@	Nil	Nil	741.89@	194.70
		8,732.11	192.62	1,100.19@	Nil	Nil	268.40@	194.70
4)	Impairment in value of investments	560.96	Nil	59.50	Nil	Nil	Nil	Nil
		454.14	Nil	59.50	Nil	Nil	Nil	Nil
5)	Other receivables	94.92	7.15	60.42@	Nil	122.67	6.92	2.78
		79.49	8.86	17.81@	Nil	89.52	371.33	2.12
6)	Loans given (including interest thereon)	1,783.18	Nil	72.98 @	Nil	Nil	Nil	Nil
		1,845.70	Nil	72.98@	Nil	Nil	Nil	Nil
7)	Loans taken (including interest thereon)	602.61	Nil	Nil	Nil	Nil	Nil	Nil
		781.05	Nil	Nil	Nil	Nil	Nil	Nil
8)	Loans provided for as doubtful advances (including interest thereon)	Nil	Nil	54.39	Nil	Nil	Nil	Nil
		12.00	Nil	54.39	Nil	Nil	Nil	Nil
9)	Deposits taken outstanding	23.38	Nil	Nil	Nil	Nil	1.38	2.00
		22.50	Nil	Nil	Nil	Nil	0.22	2.00
10)	Advance given outstanding	0.07	183.93	Nil	Nil	Nil	Nil	Nil
		0.01	117.10	Nil	Nil	Nil	Nil	Nil
11)	Guarantees, collaterals etc. outstanding	7,961.01	Nil	Nil	Nil	Nil	Nil	Nil
		9,041.31	Nil	Nil	Nil	Nil	Nil	Nil
12)	Advance towards Equity	0.12	Nil	Nil	Nil	Nil	Nil	Nil
		12.91	Nil	Nil	Nil	Nil	Nil	Nil
13)	Dividend receivable	1,818.87	1.78	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil
14)	Other payables	442.83	74.25	1,569.90	10.97	54.47	129.64	29.49
		486.86	5.09	1,570.56	7.32	56.91	21.31	17.07

Notes:
All outstanding balances are unsecured.

$ Includes guarantees given and cancelled in foreign currency, converted in Indian currency by applying average exchange rates.

* Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Standalone financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

** Net off borrowings of ₹ 537 crore transferred to TASL.

# Denotes below ₹ 50,000

@ Includes amount reclassified as held for sale

Notes to the Standalone Financial Statements

43. Financial Instruments

43.1 Fair values

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

	Carrying value		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore	₹ crore	₹ crore
Financial assets #				
Cash and Cash Equivalents	57.36	364.13	57.36	364.13
Other Balances with banks	21.19	19.00	21.19	19.00
Trade Receivables	1,026.65	1,579.87	1,026.65	1,579.87
Unbilled Revenues	58.86	75.37	58.86	75.37
Loans	1,786.26	1,837.91	1,786.26	1,837.91
Finance Lease Receivables	563.52	566.09	563.52	566.09
FVTPL Financial Investments	11.93	246.49	11.93	246.49
FVTOCI Financial Investments (Refer Note below)	1,043.99	558.20	1,043.99	558.20
Amortised Cost financial investments	183.43	171.35	184.86	176.76
Derivative instruments not in hedging relationship	5.06	1.48	5.06	1.48
Receivable on sale of Strategic Engineering Division (Refer Note 18c)	Nil	365.99	Nil	365.99
Other Financial Assets	2,071.16	387.22	2,071.16	387.22
Asset Classified as Held For Sale (Refer Note 18)#				
- FVTOCI Financial Investments (Refer Note below)	Nil	178.68	Nil	178.68
- Loans and other receivables (including accrued interest)	22.74	22.74	22.74	22.74
Total	**6,852.15**	**6,374.52**	**6,853.58**	**6,379.93**
Financial liabilities				
Trade Payables	4,079.89	3,282.47	4,079.89	3,282.47
Floating rate borrowings (including current maturities)	10,042.76	6,954.88	10,043.21	6,949.17
Fixed rate borrowings (including current maturities)	15,152.63	18,004.42	15,169.26	18,033.24
Lease Liabilities	2,858.87	2,749.04	3,333.38	2,770.33
Derivative contracts (Net)	13.12	35.84	13.12	35.84
Other financial liabilities	2,274.39	1,685.93	2,274.39	1,685.93
	34,421.66	**32,712.58**	**34,913.25**	**32,756.98**

other than investments in subsidiaries, associates and joint ventures accounted at cost in accordance with Ind AS 27 'Separate Financial Statements'.

Note:

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

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

Notes to the Standalone Financial Statements

43. Financial Instruments (Contd.)

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

- Fair value of the government securities are based on the price quotations near the reporting date. Fair value of the unquoted equity shares have been estimated using market comparable method. The valuation requires management to make certain assumptions about the marketability, active market price, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for those unquoted equity investments.
- The fair value of the remaining FVTOCI financial assets are derived from quoted market price in active markets.
- The fair value of debentures is determined by using the quoted prices .The own non-performance risk as on March 31, 2022 was assessed to be insignificant.
- The cost of certain unquoted investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.
- The fair value of loans from banks, other current financial liabilities and other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

Reconciliation of Level 3 fair value measurement of unquoted equity shares classified as FVTOCI:

Unlisted shares irrevocably designated as at FVTOCI (Refer Note below)	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Opening balance	437.63	446.64
Gain/(Loss)		
- in other comprehensive income	Nil	(12.40)
- in profit or loss	Nil	Nil
- changes on purchase of equity shares	Nil	3.39
Closing balance	**437.63**	**437.63**

Note:

(a) Unlisted shares irrevocably designated as at FVTOCI includes certain investments whose cost approximates to their fair value because there is a wide range of possible fair value measurements and their cost represents the best estimate of fair value within that range. Such investments have been excluded for quantitative sensitivity analysis as disclosed below.

(b) All gains and losses included in other comprehensive income related to unlisted shares held at the end of the reporting period and are reported under "Equity Instruments through Other Comprehensive Income".

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2022 and March 31, 2021 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation techniques	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Investments in unquoted equity shares	Price of recent transaction (PORT)	Transaction price	Varies on case to case basis	5% (March 31, 2021: 5%) increase (decrease) in the transaction price would result in increase (decrease) in fair value by ₹ 6.35 crores (March 31, 2021: ₹ 6.35 crore).

Notes to the Standalone Financial Statements

43. Financial Instruments (Contd.)

43.2 Fair value hierarchy

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

Quoted prices in an active market (Level 1): Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities and quoted borrowings (fixed rate) that have quoted price.

Valuation techniques with observable inputs (Level 2): Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and unquoted floating and fixed rate borrowings.

Valuation techniques with significant unobservable inputs (Level 3): Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares and contingent consideration receivable.

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

	Date of valuation	Fair value hierarchy as at March 31, 2022			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		₹ crore	₹ crore	₹ crore	₹ crore
Asset measured at fair value					
FVTPL Financial Investments	March 31, 2022	11.93	Nil	Nil	11.93
FVTOCI Financial Investments:					
- Quoted equity shares	March 31, 2022	606.36	Nil	Nil	606.36
- Unquoted equity shares	March 31, 2022	Nil	Nil	437.63	437.63
Derivative instruments not in hedging relationship	March 31, 2022	Nil	5.06	Nil	5.06
Asset for which fair values are disclosed					
Amortised cost Financial Investments:					
- Government securities	March 31, 2022	184.86	Nil	Nil	184.86
		803.15	**5.06**	**437.63**	**1,245.84**

	Date of valuation	Fair value hierarchy as at March 31, 2022			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		₹ crore	₹ crore	₹ crore	₹ crore
Liabilities measured at fair value					
Derivative financial liabilities	March 31, 2022	Nil	13.12	Nil	13.12
Liabilities for which fair values are disclosed					
Fixed rate borrowings	March 31, 2022	11,357.55	3,811.71	Nil	15,169.26
Floating rate borrowings	March 31, 2022	1,069.07	8,974.14	Nil	10,043.21
		12,426.62	**12,798.97**	**Nil**	**25,225.59**

Notes to the Standalone Financial Statements

43. Financial Instruments (Contd.)

	Date of valuation	Fair value hierarchy as at March 31, 2021			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		₹ crore	₹ crore	₹ crore	₹ crore
Asset measured at fair value					
FVTPL financial investments	March 31, 2021	246.49	Nil	Nil	246.49
FVTOCI financial investments:					
- Quoted equity shares	March 31, 2021	120.57	Nil	Nil	120.57
- Unquoted equity shares	March 31, 2021	Nil	Nil	437.63	437.63
Derivative instruments not in hedging relationship		Nil	1.48	Nil	1.48
- Assets Classified as Held For Sale	March 31, 2021	178.68	Nil	Nil	178.68
Receivable on sale of Strategic Engineering Division	March 31, 2021	Nil	Nil	365.99	365.99
Asset for which fair values are disclosed					
Amortised Cost financial investments:					
- Government securities	March 31, 2021	176.76	Nil	Nil	176.76
		722.50	**1.48**	**803.62**	**1,527.60**

	Date of valuation	Fair value hierarchy as at March 31, 2021			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		₹ crore	₹ crore	₹ crore	₹ crore
Liabilities measured at fair value					
Derivative financial liabilities	March 31, 2021	Nil	35.84	Nil	35.84
Liabilities for which fair values are disclosed					
Fixed rate borrowings	March 31, 2021	11,500.34	6,532.90	Nil	18,033.24
Floating rate borrowings	March 31, 2021	1,064.69	5,884.48	Nil	6,949.17
Total		**12,565.03**	**12,453.22**	**Nil**	**25,018.25**

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

43.3 Capital Management & Gearing Ratio

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio around 50%. The Company includes within net debt, interest bearing loans and borrowings, less cash and bank balances as detailed in the notes below.

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

Notes to the Standalone Financial Statements

43. Financial Instruments (Contd.)

Gearing ratio

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

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Debt (i)	25,217.45	24,983.72
Less: Cash and Bank balances	57.36	364.13
Net debt	**25,160.09**	**24,619.59**
Total Capital (ii)	10,879.80	9,878.07
Capital and net debt	**36,039.89**	**34,497.66**
Net debt to Total Capital plus net debt ratio (%)	69.81	71.37

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings (excluding derivative, financial guarantee contracts and contingent considerations) and interest accrued on Non-current and Current borrowings.

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

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

43.4 Financial risk management objectives and policies

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

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

43.4.1 Market risk

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

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligation, provisions and the non-financial assets.

Notes to the Standalone Financial Statements

43. Financial Instruments (Contd.)

a. Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through its operations in international projects and purchase of coal from Indonesia. The results of the Company's operations can be affected as the rupee appreciates/ depreciates against these currencies.

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

Foreign Currency Liabilities	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency (In Millions)	₹ crore	Foreign Currency (In Millions)	₹ crore
In USD	434.07	3,289.66	408.45	2,986.28
In EURO	0.07	0.55	0.08	0.58
In GBP	0.06	0.64	Nil	Nil
In SGD	0.04	0.22	Nil	Nil
In JPY	2.52	0.16	5.90	0.39

Foreign Currency Assets	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency (In Millions)	₹ crore	Foreign Currency (In Millions)	₹ crore
In USD	248.97	1,886.81	9.05	66.17
In JPY	Nil	Nil	5.90	0.39
In ZAR	0.02	0.01	0.41	0.20
In SGD	0.04	0.24	0.04	0.21
In VND	3.37	0.00	56.76	0.02
In TAKA	Nil	Nil	0.20	0.02

(i) Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's equity is due to changes in the fair value of monetary assets and liabilities is given as under.

		Effect on profit before tax and consequential impact on equity before tax
		₹ crore
As of March 31, 2022	Rupee depreciate by ₹ 1 against USD	(-) ₹ 18.51
	Rupee appreciate by ₹ 1 against USD	(+) ₹ 18.51
As of March 31, 2021	Rupee depreciate by ₹1 against USD	(-) ₹ 39.94
	Rupee appreciate by ₹ 1 against USD	(+) ₹ 39.94

Notes:

1. +/- Gain/Loss
2. The impact of depreciation/appreciation on foreign currency other than USD on profit before tax of the Company is not significant.

(ii) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution.

Notes to the Standalone Financial Statements

43. Financial Instruments (Contd.)

These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

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

		As at March 31, 2022		
		Foreign Currency (in millions)	Nominal Value in ₹ crore	Fair Value in ₹ crore
Other Derivatives				
Forward contracts				
In USD	Buy	306.35	2,321.72	(8.02)
Option contracts				
In USD	Buy	27.02	204.77	(0.03)

		As at March 31, 2021		
		Foreign Currency (in millions)	Nominal Value in ₹ crore	Fair Value in ₹ crore
Other Derivatives				
Forward contracts				
In USD	Buy	293.37	2144.90	27.41
In USD	Sell	130.00	950.46	(6.94)

Note: Fair Value in () denote liability

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

		Effect on profit before tax and consequential impact on equity before tax
		₹ crore
As of March 31, 2022	Rupee depreciate by ₹1 against USD	(+) ₹ 33.34
	Rupee appreciate by ₹1 against USD	(-) ₹ 33.34
As of March 31, 2021	Rupee depreciate by ₹1 against USD	(+) ₹ 16.34
	Rupee appreciate by ₹1 against USD	(-) ₹ 16.34

b. Interest rate risk management

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

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

Interest rate sensitivity:

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

Notes to the Standalone Financial Statements

43. Financial Instruments (Contd.)

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

Foreign Currency Assets	As at March 31, 2022		As at March 31, 2021	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
	₹ crore	₹ crore	₹ crore	₹ crore
Interest expense on loan	(+) 32.98	(-) 32.98	(+) ₹ 32.55	(-) ₹ 32.55
Effect on profit before tax	(-) 32.98	(+) 32.98	(-) ₹ 32.55	(+) ₹ 32.55

43.4.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans and other financial instruments.

	As at March 31, 2022	As at March 31, 2022
	₹ crore	₹ crore
Trade receivables	1,026.65	1,579.87
Loans	1,781.65	1,790.69
Finance lease receivables	563.52	566.09
Other financial assets	2,084.33	805.39
Unbilled Revenue	58.86	75.37
Financial Assets Classified as Held for Sale	22.74	22.74
Total	**5,537.75**	**4,840.15**

Refer Note 8 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

The Company has not acquired any credit impaired asset.

43.4.3 Liquidity risk management

The current liabilities of the Company exceeds the current assets. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Having regards to the nature of the business wherein the Company is able to generate fixed cash flows over a period of time and to optimize the cost of funding, the Company, from time to time, funds its long-term investment from short-term sources. The short-term borrowings can be rollforward or, if required, can be refinanced from long term borrowings. Hence, the Company considers the liquidity risk as low.

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

	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
March 31, 2022					
Non-Derivatives					
Borrowings #	8,754.19	16,453.75	12,597.07	37,805.01	25,217.45
Trade Payables	4,079.89	Nil	Nil	4,079.89	4,079.89
Lease Liabilities#	316.69	1,671.76	6,575.16	8,563.61	2,858.87
Other Financial Liabilities	2,239.25	13.07	Nil	2,252.32	2,252.32
Total Non-Derivative Liabilities	**15,390.02**	**18,138.58**	**19,172.23**	**52,700.83**	**34,408.53**
Derivatives					
Other Financial Liabilities	13.12	Nil	Nil	13.12	13.12
Total Derivative Liabilities	**13.12**	**Nil**	**Nil**	**13.12**	**13.12**

Notes to the Standalone Financial Statements

43. Financial Instruments (Contd.)

	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
March 31, 2021					
Non-Derivatives					
Borrowings #	9,852.30	15,396.40	13,125.02	38,373.72	24,983.72
Trade Payables	3,282.47	Nil	Nil	3,282.47	3,282.47
Lease Liabilities#	304.85	1,155.52	7,053.65	8,514.02	2,749.04
Other Financial Liabilities	1,649.43	12.08	Nil	1,661.51	1,661.51
Total Non-Derivative Liabilities	**15,089.05**	**16,564.00**	**20,178.67**	**51,831.72**	**32,676.74**
Derivatives					
Other Financial Liabilities	35.84	Nil	Nil	35.84	35.84
Total Derivative Liabilities	**35.84**	**Nil**	**Nil**	**35.84**	**35.84**

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

The amount included in Note 39(c) for financial guarantee contracts are the maximum amounts the Company could be forced to settle under respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

44. Financial Ratios

Sl No	Ratios	Numerator	Denominator	Note	As at March 31, 2022	As at March 31, 2021	% of Variance	Reason for Variance in excess of 25%
					₹ crore	₹ crore		
a)	Current Ratio (in times)	Current Assets	Current Liabilities	a	0.53	0.41	28%	The increase is mainly on account of significant increase in dividend receivable from non current investments.
b)	Debt-equity ratio (in times)	Total Debt	Total Equity	b	2.58	2.81	-8%	
c)	Debt service coverage ratio (in times)	Profit before exceptional items & tax + interest expenses + depreciation & amortisation - current tax expense	Interest expense + scheduled principal repayment of long-term debt and lease liabilities during the period	c	1.09	0.94	15%	
d)	Return on equity ratio (%) (ROE)	Net Profits after taxes (including continuing and discontinuing operations) - Interest on Perpetual securities	Average Shareholder's Equity	d	28.60%	1.72%	1558%	The increase is mainly on account of gain on sale of investment and increase in dividend income from non current investments
e)	Inventory turnover (in number of days)	Average fuel Inventories x number of days	Cost of fuel		71	37	92%	The increase is due to higher quantity of inventory purchased towards the end of the year to meet the higher demand in the coming year and increase in coal prices.
f)	Trade receivables turnover (in number of days)	Average receivable (including regulatory balances wherever applicable) x number of days	Gross Sales		76	67	13%	

Notes to the Standalone Financial Statements

44. Financial Ratios (Contd.)

Sl No	Ratios	Numerator	Denominator	Note	As at March 31, 2022	As at March 31, 2021	% of Variance	Reason for Variance in excess of 25%
					₹ crore	₹ crore		
g)	Trade payables turnover (in number of days)	Average trade payable x number of days	Net credit purchases	e	149	117	27%	The increase is due to higher quantity of inventory purchased towards the end of the year to meet the higher demand in the coming year and increase in coal prices.
h)	Net capital turnover ratio (in times)	Revenue from operation including net movement in Regulatory deferral balances	Working capital = Current assets – Current liabilities	f	(3.90)	(2.45)	59%	The increase is mainly on account of significant increase in dividend receivable from non current investments.
i)	Net profit ratio (%) including exceptional item	Net Profit after Tax (including exceptional item)	"Revenue including net movement in Regulatory deferral balances"		24.75%	2.18%	1036%	The increase is mainly on account of gain on sale of investment and increase in dividend income from non current investments
j)	Net profit ratio (%) excluding exceptional item	Net Profit after Tax (excluding exceptional item)	Revenue including net movement in Regulatory deferral balances		16.35%	4.18%	291%	The increase is mainly on account of increase in dividend income from non current investments
k)	Return on capital employed (%) (ROCE)	Profit before tax and exceptional item + interest expense excluding interest on consumer security deposit	Average Capital employed (Shareholder's equity + Total Debt + Deferred tax liability)"	g	9.37%	8.33%	13%	
l)	Return on investment (%) (ROI)	Interest income + Dividend income + Gain on fair value of current investment at Fair Value through Profit & Loss + Gain on Sale of Investment in Subsidiary.	Average (Investment + Fixed deposit+ Loans Given)	h	34.93%	10.29%	240%	The increase is mainly on account of gain on sale of investment and increase in dividend income from non current investments

Note:

a Current Assets as per balance sheet and assets held for sale.

Current Liabilities as per balance sheet and liabilities classified as held for sale

b Total Debt: Long term borrowings (including current maturities of long term borrowings), lease liabilities (current and non current), short term borrowings and interest accrued on these debts

Total Equity : Issued share capital, other equity and unsecured perpetual securities

c For the purpose of computation, scheduled principal repayment of long term borrowings does not include prepayments (including prepayment by exercise of call/put option)

d Average Shareholders Equity: Issued share capital and other equity (excluding unsecured perpetual securities)

e Net credit purchases comprise of (a) cost of power purchased; (b) cost of fuel; (c) Transmission charges and (d) Other expenses excluding (i) Bad debts (including provision); (ii) Net loss on foreign exchange; (iii) CSR expenses and (iv) Transfer to contingency reserve

Trade Payable: as per balance sheet less employee related trade payables

f Working Capital:

i) Current Assets: as per balance sheet and assets held for sale

Notes to the Standalone Financial Statements

44. Financial Ratios (Contd.)

ii) Current Liabilities as per balance sheet (excluding current maturities of long term debt and lease liability and interest accrued on long-term debts) and liabilities classified as held for sale

g Average Shareholders Equity: Issued share capital and other equity (excluding unsecured perpetual securities)

h Interest Income:

Interest on bank deposits, Interest on non-current investment and Interest on loans given

45. Segment Reporting:

Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on business segment which comprises of Generation, Renewables, Transmission and Distribution and Others. Specifically, the Company's reportable segments under Ind AS are as follows:

Generation: Comprises of generation of power from hydroelectric sources and thermal sources (coal, gas and oil) from plants owned and operated under lease arrangement and related ancillary services.

Renewables: Comprises of generation of power from renewable energy sources i.e. wind and solar and related ancillary services

Transmission and Distribution: Comprises of transmission and distribution network, sale of power to retail customers through distribution network and related ancillary services.

Others: Comprises of project management contracts/infrastructure management services, rooftop solar projects, electric vehicle charging stations, property development and lease rent of oil tanks.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue/assets of the segment and manpower efforts. All other revenue/expenses which are not attributable or allocable to segments have been disclosed as unallocable. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

(a) Segment Information:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Segment Revenue		
Generation	8,375.92	10,832.76
Renewables	15.52	228.90
Transmission and Distribution	4,644.92	3,709.00
Others	53.40	34.40
	13,089.76	14,805.06
(Less): Inter Segment Revenue - Generation	(1,913.35)	(1,260.60)
(Less):Inter Segment Revenue - Renewables	(15.43)	(121.20)
Total Segment Revenue	**11,160.98**	**13,423.26**
Discontinued Operations- Others #	Nil	193.63
Revenue / Income from Operations (including Net Movement in Regulatory Deferral Balances)	**11,160.98**	**13,616.89**
Segment Results		
Generation	(33.42)	1,173.95
Renewables	3.99	45.73
Transmission and Distribution	802.05	724.69
Others	(27.94)	(7.22)
Total Segment Results	744.68	1,937.15

Notes to the Standalone Financial Statements

45. Segment Reporting: (Contd.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
(Less): Finance Costs	(2,188.94)	(2,496.68)
Add/(Less): Exceptional Item - Generation (Refer Note 40a)	Nil	(109.29)
Add/(Less): Exceptional Item - Unallocable [Refer Note 7(x) and (xii)]	1,412.11	Nil
Add/(Less): Unallocable Income/(Expense) (Net)	2,789.95	1,109.93
Profit/(Loss) Before Tax from Continuing Operations	**2,757.80**	**441.11**
Profit/(Loss) Before Tax from Discontinued Operations	**Nil**	**(59.84)**
Impairment Loss on Remeasurement to Fair Value #	(467.83)	(160.00)
Profit/(Loss) Before Tax from Discontinued Operations	**(467.83)**	**(219.84)**
Segment Assets		
Generation	22,327.40	22,173.92
Renewables	25.10	651.96
Transmission and Distribution	7,844.23	6,819.98
Others	754.86	362.23
Unallocable*	16,201.81	14,447.55
Total Assets	**47,153.40**	**44,455.64**
Segment Liabilities		
Generation	5,073.76	4,277.07
Renewables	1.83	32.97
Transmission and Distribution	1,617.48	1,618.77
Others	167.39	95.81
Unallocable*	29,413.14	28,552.95
Total Liabilities	**36,273.60**	**34,577.57**
Capital Expenditure		
Generation	325.15	199.05
Renewables	Nil	5.40
Transmission and Distribution	618.53	743.19
Others	237.18	66.83
Discontinued Operations	Nil	32.97
	1,180.86	**1,047.44**
Depreciation/Amortisation (to the extent allocable to the segment)		
Generation	725.65	760.65
Renewables	2.73	95.61
Transmission and Distribution	357.96	331.12
Others	9.91	3.18
	1,096.25	**1,190.56**

Notes to the Standalone Financial Statements

45. Segment Reporting: (Contd.)

RECONCILIATION OF REVENUE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Revenue from Operations	11,107.93	13,169.48
Add/(Less): Net Movement in Regulatory Deferral Balances	91.00	258.00
Add/(Less): Deferred Tax Recoverable/(Payable)	43.35	41.62
Add/(Less): Unallocable Revenue	(81.30)	(45.84)
Total Segment Revenue	**11,160.98**	**13,423.26**
Discontinued Operations- Others #	Nil	193.63
Total Segment Revenue as reported above	**11,160.98**	**13,616.89**

Pertains to Strategic Engineering Division being classified as Discontinued Operation and disposed of during the year ended March 31, 2021 (Refer note 18c).

* Includes amount classified as held for sale other than Strategic Engineering Division.

Notes:

1. Revenue from two DISCOMS on sale of electricity with which Company has entered into a Power Purchase Agreement, accounts for more than 10% of Revenue.
2. Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(b) Geographic Information:

The Company's operations is majorly confined within India. Accordingly there are no reportable geographical segments.

46. Relationship with Struck off Companies

Sl No.	Name of struck off Company	Nature of transactions with struck off Company	Transaction during the year ended March 31, 2022	Balance outstanding as on March 31, 2022	Balance outstanding as on March 31, 2021	Relationship with the Struck off company
			(₹) Crore	₹ crore	₹ crore	
1	A One Cut Gems Pvt Ltd	Sale of electricity	0.01	*	*	Customer
2	Adorn Jew Pvt Ltd	Sale of electricity	*	*	*	Customer
3	Aloke Speciality Machines & Components Pvt. Ltd.	Sale of electricity	0.01	*	*	Customer
4	Chintamani Textiles Pvt Ltd	Sale of electricity	*	*	*	Customer
5	Highlands Garments Pvt Ltd	Sale of electricity	*	*	*	Customer
6	Optimus Properties Pvt. Ltd. .	Sale of electricity	*	*	*	Customer
7	Panacia Properties Pvt Ltd	Sale of electricity	0.12	*	*	Customer
8	Plant Genome Sciences Private Limited	Sale of electricity	0.03	*	*	Customer
9	Narayani Nivesh Nagam Pvt.Ltd.	Sale of electricity	0.02	*	*	Customer
10	Parth Developers	Sale of electricity	0.01	*	*	Customer
11	Sony Constructions Pvt Ltd	Repair work	Nil	(0.01)	(0.01)	Supplier
	* Denotes below ₹ 50,000					

Notes to the Standalone Financial Statements

47. Merger of Coastal Gujarat Power Limited (CGPL) and Af-Taab Investment Company Limited (Af-Taab) (wholly owned subsidiary companies):

(1) Pursuant to the Composite Scheme of Arrangement of erstwhile Coastal Gujarat Power Limited (CGPL) and Scheme of Amalgamation of erstwhile Af-Taab Investment Company Limited (Af-Taab) with the Company under Sections 230 to 232 of the Companies Act, 2013 sanctioned by National Company Law Tribunal, Mumbai on March 31, 2022 and March 15, 2022 respectively, all assets and liabilities of CGPL and Af-Taab are transferred and vested in the Company with appointed date of April 1, 2020.

(2) The arrangement and amalgamation have been accounted in the books of account of the Company in accordance with Ind AS 103 'Business Combination' read with Appendix C to Ind AS 103 specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016. Accordingly, the accounting treatment has been given as follows:

(i) The assets, liabilities and reserves of CGPL and Af-Taab have been incorporated in the financial statements at the carrying values as appearing in the consolidated financial statement of the Company.

(ii) Inter-Company balances and transactions have been eliminated and resultant adjustment of ₹ 82.92 crores has been adjusted in retained earnings.

(iii) 800,04,20,000 equity share of ₹ 10 each fully paid in CGPL and 10,73,000 equity share of ₹ 10 each fully paid in Af-Taab, held as investment by the Company stands cancelled.

(iv) As per capital reorganisation mentioned in the Composite scheme of arrangement of CGPL:

(a) the debit balance in the Retained earnings ₹ 5,091.20 crore after giving effect of the accounting treatment as mentioned above in point (i) to (iii) above have been adjusted against Securities Premium; and

(b) post-merger credit balance in General Reserve of the Company of ₹ 3,859.92 crore has been transferred to Retained earnings.

(v) The financial information in the standalone financial statements in respect of prior period have been restated as if business combination had occurred from the beginning of the preceding period in the standalone financial statements as the appointed date of merger is April 1, 2020.

(3) Pursuant to the Scheme of merger, the authorised equity share capital of the Company has been increased by the authorised equity share capital of the erstwhile CGPL and Af-Taab.

48. The Code on Social Security, 2020

The Code on Social Security 2020 ('Code') has been notified in the Official Gazette on September 29, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

49. Other Statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

Notes to the Standalone Financial Statements

49. Other Statutory information (Contd.)

(vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

50. Significant Events after the Reporting Period

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

51. Approval of Standalone Financial Statements

The Standalone financial statements were approved for issue by the Board of Directors on May 6, 2022.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No.324982E/E300003

per ABHISHEK AGARWAL

Partner

Membership No. 112773

Mumbai, May 6, 2022

For and on behalf of the Board,

PRAVEER SINHA

CEO & Managing Director

DIN 01785164

BANMALI AGRAWALA

Director

DIN 00120029

SANJEEV CHURIWALA

Chief Financial Officer

HANOZ M. MISTRY

Company Secretary

Mumbai, May 6, 2022

Independent Auditor's Report

To the Members of
The Tata Power Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Tata Power Company Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
Management assessment of appropriateness of Going Concern assumptions (*as described in Note 43.4.3 of the consolidated Ind AS financial statements)*	
The Group has current liabilities of ₹ 38,620.09 crore and current assets of ₹ 21,585.43 crore as at March 31, 2022. Current liabilities exceed current assets as at the year end. Given the nature of its business i.e. contracted long term power supply agreements and a significant composition of cost plus contracts leading to significant stability of cashflows and profitability, management is confident of refinancing and consider the liquidity risk as low and accordingly, the Group uses significant short term borrowings to reduce its borrowing costs. Management has made an assessment of the Group's ability to continue as a Going Concern as required by Ind AS 1 Presentation of Financial Statements considering all the available information and has concluded that the going concern basis of accounting is appropriate. Going Concern assessment has been identified as a key audit matter considering the significant judgements and estimates involved in the assessment and its dependence upon management's ability to complete the planned divestments, raising long term capital and / or successful refinancing of certain current financial obligations.	Our audit procedures and procedures performed by component auditors, included the following: • Obtaining an understanding of the process which includes approval of annual business plan, raising short term borrowings and review of MIS; and testing the internal controls associated with the management's assessment of Going Concern assumption. • Discussing with management and assessing the assumptions, judgements and estimates used in developing business plan and cash flow projections having regards to past performance and current emerging business trends affecting the business and industry. • Assessing the Group's ability to refinance its short term obligation based on the past trends, credit ratings, analysis of solvency and liquidity ratios and ability to generate cash flows and access to capital. • Assessing the adequacy of the disclosures in the consolidated Ind AS financial statements.
Revenue recognition and accrual of regulatory deferrals *(as described in Note 20 and 31 of the consolidated Ind AS financial statements)*	

Regulated generation, transmission and distribution business of the Group:
Tariff is determined by the regulator on cost plus return on equity basis wherein the cost is subject to prudential norms. The Group invoices its customers on the basis of pre-approved tariff which is based on budget and is subject to true up.
 	
The Group recognizes revenue as the amount invoiced to customers based on pre-approved tariff rates agreed with the regulator. As the Group is entitled to a fixed return on equity, the difference between revenue recognized and entitlement as per the regulation is recognized as regulatory assets / liabilities. The Group has recognized ₹ 1,146.52 crore for generation and transmission business and ₹ 6,175.94 crore for distribution business as accruals as at March 31, 2022.
 	
Accruals are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. Further the costs incurred are subject to prudential checks and prescribed norms. Significant judgements are made in determining the accruals including interpretation of tariff regulations. Further certain disallowances of claims have been litigated by the Group which are in various stages of dispute.
 	
Mundra power generation plant:
The Group sells power to customers in accordance with the long-term Power Purchase Agreement (PPA) entered into with them.
 	
As per the PPA, the Group's entitlement to capacity revenue is dependent on availability declared. Accordingly, the Group accrues capacity revenue based on the actual declared capacity. As per PPA, Group is required to pay compensation to customers in case of declared capacity is lower than the minimum capacity to be declared as per PPA. Based on the actual capacity declared, Group has recognized an amount of ₹ 509.55 crore as a reduction in revenue which includes ₹ 123.27 crore relating to earlier years and compensation towards lower annual availability.
	Our audit procedures and procedures performed by component auditors included the following:
	
	• Read the Group's accounting policies with respect to accrual of regulatory deferrals and assessing its compliance with Ind AS 114 "Regulatory Deferral Accounts" and Ind AS 115 "Revenue from Contract with Customers".
	
	• Performing test of controls over revenue recognition and accrual of regulatory deferrals through inspection of evidence of performance of these controls.
	
	• Performing substantive audit procedures including:
	  • Read the executed PPAs with the customer, tariff regulations and tariff orders and evaluating relevant clauses to understand management's assessment of the Group's right vis-a-vis the customers.
	  • Evaluating the key assumptions used by the Group by comparing it with prior years, past precedents and the legal opinion obtained by the management.
	  • Considering the independence, objectivity and competence of management's expert.
	  • Assessing the management's evaluation of the likely outcome of the key disputes based on past precedents and / or advice of management's expert.
	  • Assessing the impact recognized by the Group in respect of tariff orders received, revenue adjustment on account of actual declared capacity and revenue recognized based on ongoing discussion in relation to proposed amendments in PPA.
	  • Reading the legal opinion obtained by the management for assessing the Group's right with respect to claims with customers and power supply to customer for the period wherein terms of PPA are under discussion.

Key audit matters	How our audit addressed the key audit matter
Also, Group is in discussion to amend certain terms of PPA with one of the customers. The discussions are at very advanced stage and agreement is reached except few items for which discussions are ongoing and accordingly the SPPA is yet to be signed and approved. To ensure continuous supply of power, customer has requested the Group to continue supplying power based on the proposed amendments which will be effective January 1, 2022. Accordingly, based on the legal opinion obtained, the differential revenue of ₹ 324.00 crore has been recognized on the basis of the current agreed draft of SPPA. **Renewable Operations:** In the renewables business of the Group, certain customers have raised dispute with respect to the tariff as per the executed power purchase agreement ('PPA') and are making part payment of invoices. Pending outcome of litigation, Group continues to recognize revenue at PPA rate. Further, Group based on various orders by judicial authorities and legal opinions obtained, have assessed its claims under various contracts with customers and recognized an revenue amounting to ₹ 259.46 crore (including an amount of ₹ 170.45 crore relating to earlier years). Revenue recognition and accrual of regulatory deferrals is a key audit matter considering the significance of the amount and significant judgements involved in the determination.	• Assessing the disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts" and Ind AS 115 "Revenue from Contract with Customers".
Recognition and measurement of deferred tax *(as described in Note 14 and Note 37 of the consolidated Ind AS financial statements)*	

The Group has recognized Minimum Alternate Tax (MAT) credit receivable of ₹ 890.10 crore as at March 31, 2022. The Group also has recognized deferred tax assets of ₹ 3,262.73 crore on unabsorbed depreciation.
 	
During the year, National Company Law Tribunal ('NCLT') has approved the composite scheme of arrangement between the Holding Company and Coastal Gujarat Power Limited ('CGPL'), a wholly owned subsidiary, with the Appointed date as April 1, 2020. Accordingly, Holding Company has reassessed the tax provisions recognized by the Holding Company since the effective date of merger and recoverability of unabsorbed depreciation and brought forward business losses of CGPL available for utilization against Holding Company's future profit. Basis the assessment, Group has reversed the tax provision amounting to ₹ 105.11 crore and has recognized the deferred tax assets on unabsorbed depreciation amounting to ₹ 968.56 crore in the statement of profit and loss.
 	
The recognition and measurement of MAT credit receivable and deferred tax balances; is a key audit matter considering the significance of the amount, judgement involved in assessing the recoverability of such credits, estimation of the financial projections for utilization of unabsorbed depreciation and determination of the year of transition to new tax regime and judgements involved in the interpretation of tax regulations and tax positions adopted by the Group.
	Our audit procedures and procedures performed by component auditors included the following:
	
	• Read Group's accounting policies with respect to recognition and measurement of tax balances in accordance with Ind AS 12 "Income Taxes"
	
	• Performing test of controls over recognition and measurement of tax balances through inspection of evidence of performance of these controls.
	
	• Performing substantive audit procedures including:
	
	  • Involving tax specialists who evaluated the Group's tax positions basis the tax law and also by comparing it with prior years and past precedents
	
	  • Discussing the future business plans and financial projections with the management
	
	  • Assessing the management's long-term financial projections and the key assumptions used in the projections by comparing it to the approved business plan, projections used for estimation of likely year of transition to the new tax regime and projections used for impairment assessment where applicable.
	
	• Assessing the disclosures in accordance with the requirements of Ind AS 12 "Income Taxes".

Impairment of Assets *(as described in Note 4, 7, 8 and 19 of the consolidated Ind AS financial statements)*	
As per the requirements of Ind AS 36, the Group tests the Goodwill acquired in business combination for impairment annually. For other assets, the Group assesses at the end of every reporting period, whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset or CGU.	Our audit procedures and procedures performed by component auditors, included the following: • Read the Group's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets" • Performing test of controls over key financial controls related to accounting, valuation and recoverability of assets through inspection of evidence.

Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter

The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections.
 	
The Group is carrying Goodwill of ₹ 1,636.03 crore relating to acquisition of renewable energy businesses. The Group is also carrying impairment provision amounting to ₹ 1,122.38 crore with respect to Mundra CGU (comprising Mundra power plant, investment in companies owning coal mines and related infrastructure), ₹ 372.13 crore for investment in company owning hydro power plant in Georgia and ₹ 100.00 crore with respect to a generating unit in Trombay. During the year, as the indication exists, the Group has reassessed its impairment assessment with respect to the specified CGUs and has recognized additional impairment provision of ₹ 150.27 crore towards investment in Company owning hydro power plant in Georgia.
 	
Impairment of assets is a key audit matter considering the significance of the carrying value, estimations and the significant judgements involved in the impairment assessment.
	• Performing substantive audit procedures including:
	  • Obtaining the management's impairment assessment
	  • Evaluating the key assumptions including projected generation, coal prices, exchange rate, energy prices post power purchase agreement period and weighted average cost of capital by comparing them with prior years and external data, where available.
	  • Obtaining and evaluating the sensitivity analysis
	• Assessing the disclosures in accordance with the requirements of Ind AS 36 "Impairment of assets".

Receivables related to Group's distribution business in Odisha *(as described in Note 9 of the consolidated Ind AS financial statements)*	
The Odisha Discoms ('Discoms') have outstanding trade receivables of ₹ 2,020.32 crore as at March 31, 2022, including overdue/ aged receivables. Discoms supplies electricity to various types of customers including individual customers with wide ranging characteristics in the different region of Odisha. There exists inherent exposure to credit risk for these customers. Since, the business was recently acquired by the Group, limited past experiences are available to estimate credit loss allowance. Considering the recent trend and significant effort placed in recent months, Group recognised Expected Credit Loss (ECL) allowance on trade receivables as per the OERC tariff regulations, i.e., @ 1% of revenue from power supply and believes that provision amount is appropriate. ECL allowance for trade receivables is a key audit matter considering the significance of the amount, estimations and the significant judgements involved in the assessment.	Our audit procedures and procedures performed by component auditors, included the following: • Obtaining an understanding of the process and testing the internal controls associated with the management's assessment of determining loss allowance for trade receivables. • Obtaining an understanding of the management plan and steps being taken to collect overdue/ aged receivables. • Evaluating management's assessment of recoverability of the outstanding receivables including recoverability of overdue / aged receivables through inquiry with management, and analyzing recent collection trends in respect of receivables particularly aged and pre-acquisition receivables. • Evaluating management's assumption and judgment relating to collection considering business environment in which the Discoms operates and rights available with the Discoms to recover amount due from customers for estimating the amount of loss allowance. • Assessing the disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures

in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Independent Auditor's Report

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 14 subsidiaries whose financial statements include total assets of ₹ 13,380.50 crore as at March 31, 2022, and total revenues of ₹ 9,007.25 crore and net cash outflows of ₹ 27.41 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ 1,673.89 crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 6 associates and joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries, associates and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary whose financial statements and other financial information reflect total assets of ₹ 17.19 crore as at March 31, 2022, and total revenues of ₹ Nil and net cash outflows of ₹ 0.62 crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ 0.57 crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 12 associates and joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors

on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint venture companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

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

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated financial statements – Refer Note 39 and 40 to the consolidated financial statements;

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2022;

   iv. a) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group, associates and joint ventures to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group, associates and joint ventures ("Ultimate

Independent Auditor's Report

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the Group, associates and joint ventures from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group, associates and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement;

v) The final dividend paid by the Holding Company, its subsidiaries, associates and joint venture companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The respective Board of Directors of the Holding Company, its subsidiaries, associates and joint ventures companies, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 22112773AIMZZK3853

Place of Signature: Mumbai
Date: May 6, 2022

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sr. No.	Name	CIN	Holding company/ subsidiary / Joint Venture	Clause number of the CARO report which is qualified or is adverse
1.	The Tata Power Company Limited	L28920MH1919PLC000567	Holding Company	(i)(c); (ii)(b); (iii)(e);(ix)(d);
2.	Tata Power Trading Company Limited	U40100MH2003PLC143770	Subsidiary	(iii)(c); (iii)(e); (iii)(f)
3.	Maithon Power Limited	U74899MH2000PLC267297	Subsidiary	(i)(c)
4.	Tata Power Renewable Energy Limited	U40108MH2007PLC168314	Subsidiary	(i)(c); (iii)(e); vii(a); (ix)(d)
5.	Tata Power Solar Systems Limited	U40106MH1989PLC330738	Subsidiary	(ii)(b)
6.	TP Western Odisha Distribution Limited	U40109OR2020PLC035230	Subsidiary	(vii)(a)
7.	TP Southern Odisha Distribution Limited	U40109OR2020PLC035195	Subsidiary	(vii)(a)
8.	TP Northern Odisha Distribution Limited	U40109OR2021PLC035951	Subsidiary	(vii)(a)
9.	Walwhan Renewable Energy Limited	U40103MH2009PLC197021	Subsidiary	(iii)(e); (vii)(a)
10.	Poolavadi Windfarm Limited	U40300MH2016PLC271899	Subsidiary	(ix)(d)
11.	TP Renewable Microgrid Limited	U40100MH2007PLC168291	Subsidiary	(ix)(d)
12.	TP Ajmer Distribution Limited	U40100MH2017PLC293914	Subsidiary	(ix)(d)
13.	TP Kirnali Limited	U40100MH2020PLC337950	Subsidiary	(ix)(d)
14.	Tata Power Green Energy Ltd.	U40108MH2011PLC211851	Subsidiary	(i)(c)
15.	Clean Sustainable Solar Energy Private Limited	U40300MH2014PTC254371	Subsidiary	(iii)(e)
16.	Dreisatz Mysolar24 Private Limited	U40102MH2009PTC326890	Subsidiary	(iii)(e)
17.	MI Mysolar24 Private Limited	U40106MH2009PTC326791	Subsidiary	(iii)(e)
18.	Northwest Energy Private Limited	U40108MH2008PTC182762	Subsidiary	(ix)(d)
19.	Solarsys Renewable Energy Private Limited	U74999MH2004PTC325049	Subsidiary	(ix)(d)
20.	Walwhan Solar Energy GJ Limited	U40104MH2008PLC184134	Subsidiary	(iii)(e)
21.	Walwhan Solar Raj Limited	U40105MH2010PLC202097	Subsidiary	(ix)(d)
22.	Walwhan Solar BH Limited	U40106MH2010PLC209615	Subsidiary	(iii)(e)
23.	Walwhan Solar MH Limited	U40108MH2006PLC165673	Subsidiary	(ix)(d)
24.	Walwhan Wind RJ Limited	U40108MH2006PLC325050	Subsidiary	(ix)(d)
25.	Walwhan Solar AP Limited	U40109MH2008PLC178769	Subsidiary	(vii)(a); (ix)(d)
26.	Walwhan Solar KA Limited	U40300MH2012PLC233418	Subsidiary	(ix)(d)
27.	Walwhan Solar MP Limited	U40106MH2010PLC206275	Subsidiary	(iii)(e); (ix)(d)
28.	Walwhan Solar PB Limited	U40300MH2010PLC326052	Subsidiary	(ix)(d)
29.	Walwhan Solar TN Limited	U40106MH2010PLC326794	Subsidiary	(iii)(e); (ix)(d)
30.	Walwhan Urja Anjar Limited	U40300MH2010PLC326888	Subsidiary	(ix)(d)
31.	Welspun Urja India Limited	U40109MH2006PLC165964	Subsidiary	(ix)(d)
32.	Nelco Limited	L32200MH1940PLC003164	Subsidiary	(vii)(a)
33.	Prayagraj Power Generation Company Limited	U40101UP2007SGC032835	Joint Venture	(iii)(f); (xiv)(b)
34.	Industrial Energy Limited	U74999MH2007PLC167623	Joint Venture	(i)(c)
35.	Tata Projects Limited	U45203TG1979PLC057431	Associate	(iii)(f); (xxi)

The report of the following components included in the consolidated financial statements has not been issued by its auditor till the date of our auditor's report:

Sr. No.	Name	CIN	Subsidiary/ associate/ joint venture
1.	LTH Milcom Pvt Limited.	U74999MH2015PTC267502	Joint Venture
2.	Tubed Coal Mines Limited	U10100MH2007PLC174466	Joint Venture
3.	Mandakini Coal Co. Limited	U10100DL2008PLC175417	Joint Venture
4.	Solace Land Hold Limited	U70109DL2012PLC242177	Joint Venture
5.	Yashmun Engineers Limited	U29100MH1966PLC006109	Associate

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

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 22112773AIMZZK3853

Place of Signature: Mumbai
Date: May 6, 2022

Annexure 2 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of the Tata Power Company Limited

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

In conjunction with our audit of the consolidated financial statements of The Tata Power Company Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group , its associates and joint ventures, which are companies incorporated in India, have, maintained

in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 14 subsidiaries and 2 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

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

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 22112773AIMZZK3853

Place of Signature: Mumbai
Date: May 6, 2022

Consolidated Balance Sheet

as at March 31, 2022

	Notes	Page	As at March 31, 2022	As at March 31, 2021*
			₹ crore	₹ crore
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipments	4	357	50,502.96	45,356.46
(b) Right of Use Assets	5	361	3,661.99	3,682.27
(c) Capital Work-in-Progress	6	362	4,635.10	3,270.26
(d) Goodwill	7 a	362	1,858.31	1,794.57
(e) Other Intangible Assets	7 b	363	1,366.18	1,345.85
(f) Investments accounted for using the Equity Method	8 a	366	12,580.00	11,920.63
(g) Financial Assets				
(i) Other Investments	8 c	376	1,169.81	728.88
(ii) Trade Receivables	9	378	685.78	604.71
(iii) Loans	10	380	3.45	4.60
(iv) Finance Lease Receivables	11	381	588.69	598.61
(v) Other Financial Assets	12	382	1,684.53	1,919.25
(h) Non-current Tax Assets (Net)	13	383	520.54	359.83
(i) Deferred Tax Assets (Net)	14 a	383	334.60	184.02
(j) Other Non-current Assets	15	388	1,849.82	1,459.24
Total Non-current Assets			**81,441.76**	**73,229.18**
Current Assets				
(a) Inventories	16	389	4,231.52	1,885.62
(b) Financial Assets				
(i) Investments	17	390	410.52	499.54
(ii) Trade Receivables	9	378	5,979.74	5,200.08
(iii) Unbilled Revenue			2,285.57	1,591.14
(iv) Cash and Cash Equivalents	18 a	390	3,077.24	3,669.62
(v) Bank Balances other than (iv) above	18 b	391	3,563.46	2,201.05
(vi) Loans	10	380	9.34	7.63
(vii) Finance Lease Receivables	11	381	46.91	41.45
(viii)Other Financial Assets	12	382	501.45	329.61
(c) Current Tax Assets (Net)	13	383	0.01	Nil
(d) Other Current Assets	15	388	1,479.67	914.04
Total Current Assets			**21,585.43**	**16,339.78**
Assets Classified as Held For Sale	19 a	392	3,046.83	3,047.46
Total Assets before Regulatory Deferral Account			**106,074.02**	**92,616.42**
Regulatory Deferral Account - Assets	20	395	6,810.57	6,222.44
TOTAL ASSETS			**112,884.59**	**98,838.86**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	21 a	396	319.56	319.56
(b) Unsecured Perpetual Securities	21 b	397	Nil	1,500.00
(c) Other Equity	22	398	22,122.00	20,502.70
Equity attributable to Shareholders of the Company			**22,441.56**	**22,322.26**
Non-controlling Interests			3,586.90	2,927.30
Total Equity			**26,028.46**	**25,249.56**

Consolidated Balance Sheet

as at March 31, 2022 (Contd.)

	Notes	Page	As at March 31, 2022	As at March 31, 2021*
			₹ crore	₹ crore
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	401	32,729.70	30,044.85
(ia) Lease Liabilities	24	402	3,207.79	3,142.48
(ii) Trade Payables	25	403	Nil	1.67
(iii) Other Financial Liabilities	26	404	1,156.56	1,371.00
(b) Non-current Tax Liabilities (Net)	27	405	3.03	3.03
(c) Deferred Tax Liabilities (Net)	14 b	383	1,033.30	976.15
(d) Provisions	28	405	1,218.18	667.27
(e) Other Non-current Liabilities	29	414	8,139.29	5,987.06
Total Non-Current Liabilities			**47,487.85**	**42,193.51**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	30	415	14,860.30	13,125.79
(ia) Lease Liabilities	24	402	397.33	394.83
(ii) Trade Payables	25	403	10,459.60	7,146.41
(iii) Other Financial Liabilities	26	404	9,631.96	7,647.70
(b) Current Tax Liabilities (Net)	27	405	147.00	198.38
(c) Provisions	28	405	344.82	163.31
(d) Other Current Liabilities	29	414	2,779.08	2,480.66
Total Current Liabilities			**38,620.09**	**31,157.08**
Liabilities directly associated with Assets Classified as Held For Sale	19 b	392	113.56	139.78
Total Liabilities before Regulatory Deferral Account			**86,221.50**	**73,490.37**
Regulatory Deferral Account - Liability	20	395	634.63	98.93
TOTAL EQUITY AND LIABILITIES			**112,884.59**	**98,838.86**
* Restated (Refer Note 49)				
See accompanying notes to the Consolidated Financial Statements				

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per ABHISHEK AGARWAL
Partner
Membership No. 112773
Mumbai, May 6, 2022

For and on behalf of the Board,

PRAVEER SINHA
CEO & Managing Director
DIN 01785164

BANMALI AGRAWALA
Director
DIN 00120029

SANJEEV CHURIWALA
Chief Financial Officer

HANOZ M. MISTRY
Company Secretary

Mumbai, May 6, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

		Notes	Page	For the year ended March 31, 2022	For the year ended March 31, 2021*
				₹ crore	₹ crore
I	Revenue from Operations	31	416	42,815.67	32,703.31
II	Other Income	32	422	919.96	439.24
III	**Total Income**			**43,735.63**	**33,142.55**
IV	Expenses				
	Cost of Power Purchased			14,640.62	8,334.41
	Cost of Fuel			8,290.92	9,074.96
	Transmission Charges			1,018.19	504.60
	Raw Material Consumed	33	424	3,832.83	2,628.19
	Purchase of Finished Goods and Spares			49.11	28.89
	(Increase)/Decrease in Stock-in-Trade and Work in Progress	33	424	(199.22)	0.41
	Employee Benefits Expense (Net)	34	424	3,611.63	2,316.67
	Finance Costs	35	425	3,859.02	4,010.39
	Depreciation and Amortisation Expenses	4, 5 & 7b	357,361 &363	3,122.20	2,744.94
	Other Expenses	36	426	4,060.42	2,812.48
	Total Expenses			**42,285.72**	**32,455.94**
V	**Profit/(Loss) Before Movement in Regulatory Deferral Balances, Exceptional Items, Tax and Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method**			**1,449.91**	**686.61**
	Add/(Less): Net Movement in Regulatory Deferral Balances	20	395	(380.42)	454.22
	Add/(Less): Deferred Tax Recoverable/(Payable)	20	395	140.95	81.80
				(239.47)	**536.02**
VI	**Profit/(Loss) Before Exceptional Items, Tax and Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method**			**1,210.44**	**1,222.63**
	Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method			1,942.83	873.39
VII	**Profit/(Loss) Before Exceptional Items and Tax**			**3,153.27**	**2,096.02**
	Add/(Less): Exceptional Items:				
	Provision for Impairment of Investment	19b. (v)(c)	393	(150.27)	Nil
	Standby Litigation	40(f)	432	Nil	(109.29)
				(150.27)	**(109.29)**
VIII	**Profit/(Loss) Before Tax for the Year from Continuing Operations**			**3,003.00**	**1,986.73**
IX	**Tax Expense/(Credit)**				
	Current Tax	37	426	580.30	647.57
	Current Tax in respect of earlier years	37.4.(i), (iii)	428	(105.11)	Nil
	Deferred Tax	37	426	133.31	(145.69)
	Deferred Tax relating to earlier years	37.4.(ii)	428	(588.56)	Nil
	Remeasurement of Deferred Tax on account of New Tax Regime (net)	37.4.(iii)	428	359.62	Nil
				379.56	**501.88**
X	**Profit/(Loss) for the Year from Continuing Operations**			**2,623.44**	**1,484.85**
XI	**Profit/(Loss) before tax from Discontinued Operations**	19c	394	Nil	(59.85)
	Impairment Loss related to Discontinued Operations on remeasurement at Fair Value	19c	394	(467.83)	(160.00)
XII	**Tax Expense/(Credit) of Discontinued Operations**				
	Current Tax			Nil	(101.48)
	Deferred Tax			Nil	(72.17)
	Tax Expense/(Credit) of Discontinued Operations			**Nil**	**(173.65)**
XIII	**Profit/(Loss) for the Year from Discontinued Operations**			**(467.83)**	**(46.20)**
XIV	**Profit/(Loss) for the Year**			**2,155.61**	**1,438.65**

Consolidated Statement of Profit and Loss

for the period ended March 31, 2022 (Contd.)

	Notes	Page	For the year ended March 31, 2022	For the year ended March 31, 2021*
			₹ crore	₹ crore
XV Other Comprehensive Income/(Expenses) - Continuing Operations				
A Add/(Less):				
(i) Items that will not be reclassified to Profit or Loss				
(a) Remeasurement of the Defined Benefit Plans			(256.85)	(80.56)
(b) Movement in Regulatory Deferral Balance			265.28	93.92
(c) Equity Instruments classified at FVTOCI			307.12	230.77
(ii) Tax relating to items that will not be reclassified to Profit or Loss				
(a) Current Tax			(36.54)	(1.04)
(b) Deferred Tax			35.13	(4.68)
(iii) Share of Other Comprehensive Income/(Loss) of Associates and Joint Ventures accounted for using the Equity Method (net of tax)			(18.25)	(3.15)
B Add/(Less):				
(i) Items that will be reclassified to Profit or Loss				
(a) Exchange Differences in translating the financial statements of foreign operations			(13.07)	(423.15)
(b) Effective portion of cash flow hedge			130.88	(371.75)
(ii) Tax relating to items that will be reclassified to Profit or Loss				
(a) Deferred Tax			(32.94)	93.57
(iii) Share of Other Comprehensive Income/(Loss) of Associates and Joint Ventures accounted for using the Equity Method (net of tax)			92.65	86.75
			473.41	**(379.32)**
XVI Other Comprehensive Income/(Expense) - Discontinued Operations				
Add/(Less):				
(i) Items that will not be reclassified to Profit or Loss			Nil	(0.34)
			Nil	**(0.34)**
XVII Total Other Comprehensive Income for the Year (XV + XVI)			**473.41**	**(379.66)**
XVIII Total Comprehensive Income for the Year (XIV + XVII)			**2,629.02**	**1,058.99**
Profit for the year attributable to:				
- Owners of the Company			1,741.46	1,127.38
- Non-controlling Interest			414.15	311.27
			2,155.61	**1,438.65**
Other comprehensive Income for the year attributable to:				
- Owners of the Company			473.38	(380.67)
- Non-controlling Interest			0.03	1.01
			473.41	**(379.66)**
Total Comprehensive Income for the year attributable to:				
- Owners of the Company			2,214.84	746.71
- Non-controlling Interest			414.18	312.28
			2,629.02	**1,058.99**
XIX Basic and Diluted Earnings Per Equity Share (of ₹ 1/- each) (₹)	41	435		
(i) From Continuing Operations before net movement in Regulatory Deferral Balances			7.00	2.43
(ii) From Continuing Operations after net movement in Regulatory Deferral Balances			6.82	3.32
(iii) From Discontinued Operations			(1.46)	(0.15)
(iv) Total Operations after net movement in Regulatory Deferral Balances			5.36	3.17

* Restated (Refer Note 49)

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per ABHISHEK AGARWAL
Partner
Membership No. 112773
Mumbai, May 6, 2022

For and on behalf of the Board,

PRAVEER SINHA
CEO & Managing Director
DIN 01785164

BANMALI AGRAWALA
Director
DIN 00120029

SANJEEV CHURIWALA
Chief Financial Officer

HANOZ M. MISTRY
Company Secretary

Mumbai, May 6, 2022

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

	For the year ended March 31, 2022		For the year ended March 31, 2021*	
		₹ crore		₹ crore
A. Cash flow from operating activities				
Profit/(Loss) before tax from Continuing Operations		3,003.00		1,986.73
Profit/(Loss) before tax from Discontinued Operations		(467.83)		(219.85)
Adjustments to reconcile Profit Before Tax to Net Cash Flows:				
Depreciation and Amortisation Expense	3,122.20		2,744.94	
Reversal of Impairment of Non-Current Investments and related obligation	Nil		(67.76)	
Transfer to Contingency Reserve	12.57		11.00	
Impairment Loss on Remeasurement related to Discontinued Operations	467.83		160.00	
(Gain)/Loss on disposal of Property, Plant and Equipment (Net)	41.09		(5.60)	
Finance Cost (Net of Capitalisation)	3,859.02		4,035.30	
Interest Income	(292.51)		(175.65)	
Dividend Income	(6.79)		(6.78)	
Gain on sale of Current Investment measured at fair value through Profit and Loss	(19.31)		25.82	
Allowances for Doubtful Debts and Advances (Net)	127.62		24.37	
Bad debts	11.94		69.87	
Provision for Warranties	10.67		26.50	
Provision for standby litigation	Nil		109.29	
Provision for Impairment for Investment in Joint Venture	150.27		Nil	
Delayed Payment income	(68.31)		(66.27)	
Amortisation of Service Line Contributions and Government Grant	(317.70)		(152.19)	
Guarantee Commission from Joint Ventures	(9.61)		(8.26)	
Share of Net Profit of Associates and Joint Ventures accounted for using the equity method	(1,942.83)		(873.39)	
Amortisation of Deferred Revenue	55.41		48.23	
Amortisation of Leasehold Land	1.44		1.12	
Reclassification of Foreign Currency Translation Reserve from Other Comprehensive Income	(199.64)		Nil	
Effect of Exchange Fluctuation (Net)	37.56		(16.75)	
		5,040.92		**5,883.79**
		7,576.09		**7,650.67**
Adjustments for (increase) / decrease in Operating Assets:				
Inventories	(2,308.21)		(93.26)	
Trade Receivables	(887.56)		(1,103.76)	
Unbilled Revenue	(694.43)		(885.35)	
Finance Lease Receivables	4.46		(17.94)	
Loans-Current	(1.93)		(1.43)	
Loans-Non Current	1.15		0.46	
Other Current Assets	(531.99)		(270.14)	
Other Non-current Assets	(284.09)		(156.71)	
Other Financial Assets - Current	(115.86)		106.89	
Other Financial Assets - Non-current	(15.63)		(88.14)	
Regulatory Deferral Account - Assets	(322.85)		(998.00)	
(Purchase)/ proceeds from sale of Current Investments (Net)	Nil		158.02	
Movement in Operating Asset		**(5,156.94)**		**(3,349.36)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

		For the year ended March 31, 2022		For the year ended March 31, 2021*	
		₹ crore		₹ crore	
Adjustments for increase / (decrease) in Operating Liabilities:					
Trade Payables		3,221.69		1,709.92	
Other Current Liabilities		261.32		729.58	
Other Non-current Liabilities		64.14		(6.91)	
Other Financial Liabilities - Current		341.00		1,081.05	
Other Financial Liabilities - Non-current		79.54		356.79	
Regulatory Deferral Account - Liability		535.70		61.23	
Current Provisions		(85.98)		128.52	
Non-current Provisions		550.91		430.66	
Movement in Operating Liability			**4,968.32**		**4,490.84**
Cash Flow from/(used in) Operations			**7,387.47**		**8,792.15**
Income-tax Paid - (net of refund received)			(694.74)		(447.03)
Net Cash Flows from/(used in) Operating Activities	A		**6,692.73**		**8,345.12**
B. Cash Flow from Investing Activities					
Capital expenditure on Property, Plant and Equipment (including capital advances)			(7,267.86)		(3,335.79)
Proceeds from sale of Property, Plant and Equipment (including property, plant and equipment classified as held for sale)			34.91		1,549.09
Proceeds from sale of Strategic Engineering Division (Net)			Nil		420.85
(Purchase)/ proceeds from sale of Current Investments (Net)			164.00		83.44
Consideration transferred on business combinations			Nil		(720.75)
Purchase of Non-current Investments			(585.06)		(80.26)
Proceeds from sale of Non-current Investments (Including advance and investments classified as held for sale)			195.80		844.32
Inter-corporate Deposits (Net)			0.22		5.46
Interest Received			151.24		161.12
Delayed Payment Charges received			68.31		66.27
Guarantee Commission Received			9.61		3.15
Dividend Received			1,855.60		1,846.06
Bank Balance not Considered as Cash and Cash Equivalents			(903.34)		(175.36)
Net Cash Flow from/(used in) Investing Activities	B		**(6,276.57)**		**667.60**
C. Cash Flow from Financing Activities					
Proceeds from Issue of Shares including shares issued to Minority Shareholders			11.33		2,996.06
Redemption of Unsecured Perpetual Securities			(1,500.00)		Nil
Increase in Capital/Service Line Contributions and contribution from consumers			746.26		155.16
Proceeds from Non-current Borrowings			11,473.88		5,602.19
Repayment of Non-current Borrowings			(5,684.28)		(7,453.61)
Proceeds/(repayment) from Current Borrowings (Net)			(1,632.59)		(4,121.95)
Finance Cost Paid			(3,555.18)		(3,731.42)
Payment of Lease Liability			(383.85)		(351.78)
Dividend Paid			(558.51)		(526.29)
Distribution on Unsecured Perpetual Securities			(100.26)		(171.24)

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

		For the year ended March 31, 2022	For the year ended March 31, 2021*
		₹ crore	₹ crore
Net Cash Flow from/(used in) Financing Activities	C	**(1,183.20)**	**(7,602.88)**
Net Increase in Cash and Cash Equivalents	(A+B+C)	**(767.04)**	**1,409.84**
Cash and Cash Equivalents as at 1st April (Opening Balance)		**3,569.96**	**1,834.39**
Cash and Cash Equivalents Acquired on Business Combinations		(63.43)	446.29
Effect of Exchange Fluctuation on Cash and Cash Equivalents		89.53	(120.56)
Cash and Cash Equivalents as at 31st March (Closing Balance)		**2,829.02**	**3,569.96**

Notes:

I) The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

		As at March 31, 2022	As at March 31, 2021*
		₹ crore	₹ crore
II) **Cash and Cash Equivalents include:**			
(a) Balances with banks			
(i) In current accounts		1,254.84	1,015.45
(ii) In Deposit Accounts (with original maturity of three months or less)		1,702.09	2,543.84
(b) Cheques on Hand		23.30	45.16
(c) Cash on Hand		97.01	65.17
(d) Bank Overdraft		(248.22)	(99.66)
Total Cash and Cash Equivalents		**2,829.02**	**3,569.96**

* (Restated - Refer Note 49)

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No.324982E/E300003

per ABHISHEK AGARWAL

Partner

Membership No. 112773

Mumbai, May 6, 2022

For and on behalf of the Board,

PRAVEER SINHA

CEO & Managing Director

DIN 01785164

BANMALI AGRAWALA

Director

DIN 00120029

SANJEEV CHURIWALA

Chief Financial Officer

HANOZ M. MISTRY

Company Secretary

Mumbai, May 6, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity Share Capital

₹ crore

	No. of Shares	Amount
Balance as at April 1, 2020	270,47,73,510	270.50
Issued during the year [Refer Note 22(4)]	49,05,66,037	49.06
Balance as at March 31, 2021	**319,53,39,547**	**319.56**
Issued during the year	Nil	Nil
Balance as at March 31, 2022	**319,53,39,547**	**319.56**

B. Unsecured Perpetual Securities

₹ crore

	No. of Securities	Amount
Balance as at April 1, 2020	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at March 31, 2021	**15,000**	**1,500.00**
Redeemed during the year [Refer Note 21.b]	(15,000)	(1,500.00)
Balance as at March 31, 2022	**Nil**	**Nil**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022 (Contd.)

C. Other Equity (Refer Note 22)

₹ crore

Description	Reserves and Surplus								Item of Other Comprehensive Income			Controlling Interests	Non-controlling Interests	Total
	General Reserve	Securities Premium	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reserve	Special Reserve Fund	Statutory Reserves	Retained Earnings	Equity Instrument through Other Comprehensive Income	Foreign Currency Translation Reserve	Effective portion of cash flow hedge			
Balance as at April 1, 2020	4,086.53	5,647.80	638.20	515.76	232.09	124.07	660.08	4,387.49	(7.54)	1,414.63	96.41	17,795.52	2,332.04	20,127.56
Capital Re-organisation [Refer Note 22(6)]	(3,859.92)	(5,091.20)	Nil	Nil	Nil	Nil	Nil	8,951.12	Nil	Nil	Nil	Nil	Nil	Nil
Restated Balance as at April 1, 2020	226.61	556.60	638.20	515.76	232.09	124.07	660.08	13,338.61	(7.54)	1,414.63	96.41	17,795.52	2,332.04	20,127.56
Profit for the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1,127.38	Nil	Nil	Nil	1,127.38	311.27	1,438.65
Other Comprehensive Income/ (Expenses) for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3.14	230.77	(336.40)	(278.18)	(380.67)	1.01	(379.66)
Total Comprehensive Income	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**1,130.52**	**230.77**	**(336.40)**	**(278.18)**	**746.71**	**312.28**	**1,058.99**
Issue of Equity Shares during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	396.06	396.06
Securities Premium collected during the year [Refer Note 22(4)]	Nil	2,550.94	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2,550.94	Nil	2,550.94
Dividend paid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(419.24)	Nil	Nil	Nil	(419.24)	(113.08)	(532.32)
Transfer to/(from) Debenture Redemption Reserve	Nil	Nil	(13.14)	Nil	Nil	Nil	Nil	13.14	Nil	Nil	Nil	Nil	Nil	Nil
Transfer to/(from) Special Reserve Fund	Nil	Nil	Nil	Nil	Nil	2.21	Nil	(2.21)	Nil	Nil	Nil	Nil	Nil	Nil
Distribution on Unsecured Perpetual Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(171.23)	Nil	Nil	Nil	(171.23)	Nil	(171.23)
Balance as at March 31, 2021	**226.61**	**3,107.54**	**625.06**	**515.76**	**232.09**	**126.28**	**660.08**	**13,889.59**	**223.23**	**1,078.23**	**(181.77)**	**20,502.70**	**2,927.30**	**23,430.00**
Balance as at April 1, 2021	226.61	3,107.54	625.06	515.76	232.09	126.28	660.08	13,889.59	223.23	1,078.23	(181.77)	20,502.70	2,927.30	23,430.00
Profit for the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1,741.46	Nil	Nil	Nil	1,741.46	414.15	2,155.61
Other Comprehensive Income/ (Expenses) for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(11.26)	307.11	79.59	97.94	473.38	0.03	473.41
Total Comprehensive Income	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**1,730.20**	**307.11**	**79.59**	**97.94**	**2,214.84**	**414.18**	**2,629.02**
Issue of Equity Shares during the year (Refer note 18)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	308.65	308.65
Dividend paid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(495.28)	Nil	Nil	Nil	(495.28)	(63.23)	(558.51)
Transfer to/(from) Debenture Redemption Reserve	Nil	Nil	(100.00)	Nil	Nil	Nil	Nil	100.00	Nil	Nil	Nil	Nil	Nil	Nil
Transfer to/(from) Special Reserve Fund (Refer Note 22)	Nil	Nil	Nil	Nil	Nil	(126.28)	Nil	126.28	Nil	Nil	Nil	Nil	Nil	Nil
Distribution on Unsecured Perpetual Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(100.26)	Nil	Nil	Nil	(100.26)	Nil	(100.26)
Balance as at March 31, 2022	**226.61**	**3,107.54**	**525.06**	**515.76**	**232.09**	**Nil**	**660.08**	**15,250.53**	**530.34**	**1,157.82**	**(83.83)**	**22,122.00**	**3,586.90**	**25,708.90**

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per ABHISHEK AGARWAL
Partner
Membership No. 112773
Mumbai, May 6, 2022

For and on behalf of the Board,

PRAVEER SINHA
CEO & Managing Director
DIN 01785164

BANMALI AGRAWALA
Director
DIN 00120029

SANJEEV CHURIWALA
Chief Financial Officer

HANOZ M. MISTRY
Company Secretary

Mumbai, May 6, 2022

Notes to the Consolidated Financial Statements

1. Corporate Information

The Tata Power Company Limited (the 'Company' or 'Parent Company') is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Company is located at Bombay House, 24, Homi Mody Street, Mumbai 400 001 India. The Company is listed on the Bombay Stock Exchange of India Limited (BSE) and the National Stock Exchange of India Limited (NSE).The principal business of the Company is generation, transmission, distribution and trading of electricity.

The Company and its subsidiaries joint ventures and associates (collectively referred to as 'the Group') is one of India's largest integrated power companies with an international presence. The Group together with its joint venture companies has an installed gross generation capacity of 13,515 MW and a presence in all the segments of the power sector viz. Fuel Security and Logistics, Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. The Group has developed the country's first 4,000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology. It is also one of the largest renewable energy players in India with a clean energy portfolio of 4,651 MW. Its international presence includes strategic investments in Indonesia, Singapore, Zambia, Georgia and Bhutan. With its track record of technology leadership, project execution excellence, world class safety processes, customer care and driving green initiatives the Group is poised for multi-fold growth and is committed to 'lighting up lives' for generations to come.

2. Significant Accounting Policies:

2.1 Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (as amended from time to time).

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- derivative financial instruments,
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- employee benefit expenses (Refer Note 28 for accounting policy)
- Contingent consideration on sale and purchase of business

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 amount 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.

The consolidated financial statements are presented in Indian Rupees (₹) and all amounts are in Crore unless otherwise stated.

2.3 Basis of Consolidation:

The Group consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

2.3.1 Subsidiaries

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to the Consolidated Financial Statements

2. Significant Accounting Policies: (Contd.)

2.3.2 Joint Ventures and Associates

Joint Ventures are entities over which the Group has joint control. Associates are entities over which the Group has significant influence but not control. Investments in Joint Ventures and Associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in Joint Ventures and Associates includes goodwill identified on acquisition. (Refer Note 8a)

2.4 Business Combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amount of assets and liabilities of the acquired entity are recorded in shareholders' equity.

In case of bargain purchase, before recognising gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amount that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

2.5 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amount to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Notes to the Consolidated Financial Statements

2. Significant Accounting Policies: (Contd.)

2.6 Details of the Group's subsidiaries at the end of the reporting period considered in the preparation of the consolidated financial statements are as follows:

Name	Country of Incorporation/ Principal Place of Business	% voting power held as at March 31, 2022	% voting power held as at March 31, 2021
Subsidiaries (Direct)			
Af-Taab Investment Co. Ltd. (Merged with Holding Company)*	India	Nil	100
Tata Power Trading Co. Ltd.	India	100	100
Nelco Ltd.	India	50.04	50.04
Maithon Power Ltd.	India	74	74
Tata Power Delhi Distribution Ltd.	India	51	51
Coastal Gujarat Power Ltd. (Merged with Holding Company)*	India	Nil	100
Bhira Investments Pte. Ltd.	Singapore	100	100
Bhivpuri Investments Ltd.	Mauritius	100	100
Khopoli Investments Ltd.	Mauritius	100	100
Trust Energy Resources Pte. Ltd. !	Singapore	Nil	100
TP Renewable Microgrid Ltd.	India	100	100
TCL Ceramics Ltd. (Ceased to be Subsidiary w.e.f March 24, 2022)	India	Nil	57.07
Tata Power International Pte. Ltd.	Singapore	100	100
Tata Power Solar Systems Ltd.	India	100	100
Tata Power Renewable Energy Ltd.	India	100	100
Tata Power Jamshedpur Distribution Ltd.	India	100	100
TP Ajmer Distribution Ltd.	India	100	100
Tata Power Green Energy Ltd.	India	100	100
Supa Windfarm Ltd.	India	100	100
TP Central Odisha Distribution Ltd. (w.e.f. June 1, 2020)	India	51	51
TP Western Odisha Distribution Ltd. (w.e.f. January 1, 2021)	India	51	51
TP Southern Odisha Distribution Ltd. (w.e.f. January 1, 2021)	India	51	51
TP Kirnali Solar Ltd. (w.e.f July 23, 2020)	India	74	74
TP Solapur Solar Ltd. (w.e.f July 29, 2020)	India	74	100
TP Saurya Ltd. (w.e.f August 2, 2020)	India	100	100
TP Akkalkot Renewable Ltd. (w.e.f August 11, 2020)	India	74	100
TP Roofurja Renewable Ltd. (w.e.f August 22, 2020)	India	100	100
TP Northern Odisha Distribution Ltd. (w.e.f. April 1, 2021)	India	51	Nil
TP Solapur Saurya Ltd. (w.e.f. May 27, 2021)	India	100	Nil
Subsidiaries (Indirect)			
PT Sumber Energi Andalan Tbk. $	Indonesia	92.50	92.50
PT Andalan Group Power (w.e.f. March 2, 2021) $	Indonesia	92.50	92.50
PT Sumber Power Nusantara (w.e.f. April 19, 2021) $	Indonesia	92.50	Nil
PT Indopower Energi Abadi (w.e.f. April 19, 2021) $	Indonesia	92.50	Nil
PT Andalan Power Teknikatama (w.e.f. April 19, 2021) $	Indonesia	92.50	Nil
NDPL Infra Ltd.	India	51	51
Tatanet Services Ltd. (TNSL) (Merged with Nelco Ltd w.e.f June 9, 2021)	India	Nil	50.04
Poolavadi Windfarm Ltd.	India	74	74
Nivade Windfarm Ltd.	India	100	100
TP Wind Power Ltd.	India	100	100
TP Solapur Ltd.	India	100	100
TP Kirnali Ltd.	India	100	100

Notes to the Consolidated Financial Statements

2. Significant Accounting Policies: (Contd.)

Name	Country of Incorporation/ Principal Place of Business	% voting power held as at March 31, 2022	% voting power held as at March 31, 2021
Walwhan Renewable Energy Ltd.	India	100	100
Clean Sustainable Solar Energy Pvt. Ltd. @	India	99.99	99.99
Dreisatz Mysolar24 Pvt. Ltd. @	India	100	100
MI Mysolar24 Pvt. Ltd. @	India	100	100
Northwest Energy Pvt. Ltd. @	India	100	100
Solarsys Renewable Energy Pvt. Ltd. @	India	100	100
Walwhan Solar Energy GJ Ltd. @	India	100	100
Walwhan Solar Raj Ltd. @	India	100	100
Walwhan Solar BH Ltd. @	India	100	100
Walwhan Solar MH Ltd. @	India	100	100
Walwhan Wind RJ Ltd. @	India	100	100
Walwhan Solar AP Ltd. @	India	100	100
Walwhan Solar KA Ltd. @	India	100	100
Walwhan Solar MP Ltd. @	India	100	100
Walwhan Solar PB Ltd. @	India	100	100
Walwhan Energy RJ Ltd. @	India	100	100
Walwhan Solar TN Ltd. @	India	100	100
Walwhan Solar RJ Ltd. @	India	100	100
Walwhan Urja Anjar Ltd. @	India	100	100
Walwhan Urja India Ltd. @	India	100	100
Chirasthayee Saurya Ltd.	India	100	100
Nelco Network Products Ltd. (Consolidated with Nelco Ltd.)	India	50.04	50.04
Vagarai Windfarm Ltd.	India	62.4	72
Far Eastern Natural Resources LLC #	Russia	100	100
Trust Energy Resources Pte. Ltd !	Singapore	100	Nil

* Refer Note - 22 (6)

\# Based on Unaudited Financial Information, certified by its Management for the year ended March 31, 2022.

@ Consolidated with Walwhan Renewable Energy Ltd.

$ Classified as held for sale.

! Sold by the Holding Company to its wholly owned subsidiary Tata Power International Pte. Ltd.

3. Other Significant Accounting Policies, critical accounting estimates and judgements

3.1 Foreign Currencies

The Group's consolidated financial statements are presented in Indian Rupee, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e.,

Notes to the Consolidated Financial Statements

3. Other Significant Accounting Policies, critical accounting estimates and judgements (Contd.)

translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities are translated at the closing rate at the date of that balance sheet

b) Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

c) All resulting exchange differences are recognised in OCI.

3.2 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised 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 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 the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

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

3.3 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Group's best estimate of the expenditure required to settle the Group's obligation.

3.4 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.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

3. Other Significant Accounting Policies, critical accounting estimates and judgements (Contd.)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

3.5 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.5.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.5.2 Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

3.5.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

3.5.4 Investment in joint ventures and associates

Investment in joint ventures and associates are accounted using equity method less impairment.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Impairment of investments:

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

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

Notes to the Consolidated Financial Statements

3. Other Significant Accounting Policies, critical accounting estimates and judgements (Contd.)

3.5.5 Derecognition

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

- the right to receive cash flows from the asset have expired, or
- the Group has transferred its right 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3.5.6 Impairment of financial assets

The Group assesses at each date of balance sheet whether a financial asset or a Group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.6 Financial liabilities and equity instruments

3.6.1 Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.6.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

3.6.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in consolidated statement of profit and loss when the liabilities are derecognised as well as through the effective interest rate (EIR) amortisation process. Amortised 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 amortisation is included as finance costs in the consolidated statement of profit and loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

3.6.4 Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

3. Other Significant Accounting Policies, critical accounting estimates and judgements (Contd.)

3.6.5 Financial guarantee contracts

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

3.7 Derivative financial instruments and hedge accounting

The Group enters into a variety of derivative financial instruments such as forward contracts, options contacts and interest rate swaps, to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and cross currency swaps.

Derivative financial instruments are initially recognised 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.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the consolidated statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statement of profit and loss.

The Group adopts hedge accounting for forward, interest rate and commodity contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the consolidated statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the consolidated statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the consolidated statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the consolidated statement of profit and loss in the same period in which the hedged item affects the consolidated statement of profit and loss. In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the consolidated statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the consolidated statement of profit and loss for the period.

3.8 Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes

Notes to the Consolidated Financial Statements

3. Other Significant Accounting Policies, critical accounting estimates and judgements (Contd.)

to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.9 Offsetting of financial instruments

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

3.10 Government Grants

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

Government grants relating to income are determined and recognised in the consolidated statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets.

The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

3.11 Dividend distribution to equity shareholders of the Parent Company

The Parent Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

3.12 Service Concession Agreement (SCA)

A Group entity has entered into contract for design, part finance, engineering, manufacture, supply, erection, testing, commissioning and operation and maintenance for 25 years of Grid Interactive Solar Power Project through Public Private Partnership with a public sector power generator (PSU). The PSU has paid part of the project cost to the Group on commissioning of plant/Handover of Project. Remaining cost and the operations and maintenance cost is being recovered over the period of the project in accordance with the agreement with the PSU.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

As per the arrangement, the share of electricity revenue is divided into three parts i.e. towards deferred payment, interest income and operation and maintenance revenue. The Group has initially measured financial asset at fair value and subsequently at amortized cost by recognising share of electricity sale revenue first towards operation and maintenance revenue. Subsequent thereto, amount is recognised as interest income at computed Internal Rate of Return (IRR) on opening balance of the financial asset. Further, surplus of revenue share over and above operation and maintenance revenue and interest income is recognised as recovery of the financial asset.

3.13 Critical accounting estimates and judgements

In the application of the Group's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes to the Consolidated Financial Statements

3. Other Significant Accounting Policies, critical accounting estimates and judgements (Contd.)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

Estimates and judgements used for impairment assessment of certain cash generating units (CGU) - Note 4 & 8

Estimation and judgements for impairment assessment of goodwill - Note 6a.

Estimations used for fair value of unquoted securities and impairment assessment of investments - Note 8

Estimation of defined benefit obligation - Note 28

Estimation of provision for warranty claims - Note 28

Estimates related to accrual of regulatory deferrals and revenue recognition - Note 20 and Note 31

Estimations used for determination of tax expenses and tax balances - Note 37 and Note 14

Estimates and judgements related to the assessment of liquidity risk - Note 43.4.3

Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claims against the Group - Note 39 and Note 40

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

4. Property, Plant and Equipments

Accounting Policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with Ind AS 23. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Other Indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated.

Regulated Assets:

Depreciation on Property, plant and equipment in respect of electricity business of the Group covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates specified in tariff regulations notified by respective Electricity Regulatory Commission ('Regulator').

Non Regulated Assets:

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful

Notes to the Consolidated Financial Statements

4. Property, Plant and Equipments (Contd.)

lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the Regulated and Non Regulated assets are as follows:

Type of assets	Useful lives
Hydraulic Works	40 years
Buildings-Plant	5 to 50 years
Buildings-Others	25 to 60 years
Coal Jetty	25 years
Railway Sidings, Roads, Crossings, etc.	5 to 40 years
Plant and Equipments (excluding Computers and Data Processing units)	3 to 40 years
Plant and Equipments (Computers and Data Processing units)	3 to 6 years
Transmission Lines, Cable Network, etc.	4 to 40 years
Furniture and Fixtures	5 to 40 years
Office Equipments	5 to 15 years
Motor Cars	4 to 15 years
Motor Lorries, Launches, Barges etc.	25 to 40 years
Helicopters	25 years

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit and loss.

Impairment of tangible and intangible assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of or Group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future post tax cash flows are discounted to their present value using a appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group basis its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover the PPA period. To estimate Cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

Impairment losses of tangible and intangible assets are recognised in the consolidated statement of profit and loss.

4 Property, Plant and Equipment (Contd.)

A. Owned Assets

₹ crore

Description	Freehold Land	Hydraulic Works	Buildings - Plant	Buildings - Others @	Coal Jetty	Roads, Railway sidings, crossings etc.	Plant and Equipment	Transmission lines and cable network	Furniture and Fixtures	Office Equipment	Motor Vehicles, Launches, Barges, etc.	Helicopters	Total
Cost													
Balance as at April 1, 2021	1,190.69	545.29	2,413.95	814.38	106.10	597.54	48,570.90	11,602.10	133.95	188.38	86.49	35.30	66,285.07
Additions	62.71	18.91	115.71	74.92	Nil	5.46	4,261.30	1,882.43	13.23	90.56	11.61	Nil	6,536.84
Acquisition through business combination (Refer Note 48)	Nil	Nil	Nil	3.47	Nil	Nil	Nil	1,468.10	0.28	1.41	0.15	Nil	1,473.41
Disposals	Nil	Nil	(0.24)	Nil	Nil	Nil	(194.03)	(20.52)	(3.52)	(12.03)	(14.38)	Nil	(244.72)
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	0.88	Nil	Nil	Nil	Nil	Nil	0.88
Reclassified from/to assets classified as held for sale (Refer Note 19a)	Nil	Nil	Nil	18.16	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	18.16
Balance as at March 31, 2022	**1,253.40**	**564.20**	**2,529.42**	**910.93**	**106.10**	**603.00**	**52,639.05**	**14,932.11**	**143.94**	**268.32**	**83.87**	**35.30**	**74,069.64**
Accumulated depreciation and impairment													
Balance as at April 1, 2021	Nil	316.25	679.19	274.37	67.21	74.31	16,300.27	2,948.72	89.93	97.85	48.76	31.75	20,928.61
Depreciation Expense - Continuing Operations	Nil	10.97	75.32	30.21	5.60	18.66	1,997.03	646.10	7.12	23.80	6.67	0.01	2,821.50
Disposals	Nil	Nil	Nil	Nil	Nil	Nil	(165.85)	(5.38)	(2.55)	(10.20)	(9.66)	Nil	(193.64)
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	0.07	Nil	Nil	Nil	Nil	Nil	0.07
Reclassified from/to assets classified as held for sale (Refer Note 19a)	Nil	Nil	Nil	10.14	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	10.14
Balance as at March 31, 2022	**Nil**	**327.22**	**754.51**	**314.72**	**72.81**	**92.97**	**18,131.52**	**3,589.44**	**94.50**	**111.45**	**45.77**	**31.76**	**23,566.68**
Net carrying amount													
As at March 31, 2022	**1,253.40**	**236.98**	**1,774.91**	**596.21**	**33.29**	**510.03**	**34,507.53**	**11,342.67**	**49.44**	**156.87**	**38.10**	**3.54**	**50,502.96**

4 Property, Plant and Equipment (Contd.)

₹ crore

Description	Freehold Land	Hydraulic Works	Buildings - Plant	Buildings - Others @	Coal Jetty	Roads, Railway sidings, crossings etc.	Plant and Equipment	Transmission lines and cable network	Furniture and Fixtures	Office Equipment	Motor Vehicles, Launches, Barges, etc.	Helicopters	Total
Cost													
Balance as at April 1, 2020	1,048.97	536.37	2,266.78	778.87	106.10	103.63	47,410.14	6,778.74	118.37	188.46	93.60	35.30	59,465.33
Additions	142.07	9.35	148.81	8.82	Nil	493.91	1,312.68	826.67	16.95	11.86	10.83	Nil	2,981.95
Acquisition through business combination (Refer Note 48)	Nil	Nil	Nil	27.71	Nil	Nil	Nil	4,002.49	0.94	3.84	0.13	Nil	4,035.11
Disposals	(0.35)	(0.43)	(1.64)	(1.02)	Nil	Nil	(151.42)	(5.80)	(2.31)	(15.78)	(18.07)	Nil	(196.82)
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	(0.50)	Nil	Nil	Nil	Nil	Nil	(0.50)
Balance as at March 31, 2021	**1,190.69**	**545.29**	**2,413.95**	**814.38**	**106.10**	**597.54**	**48,570.90**	**11,602.10**	**133.95**	**188.38**	**86.49**	**35.30**	**66,285.07**
Accumulated depreciation and impairment													
Balance as at April 1, 2020	Nil	306.23	606.61	247.08	61.61	72.65	14,526.82	2,551.90	84.47	87.06	53.53	31.73	18,629.69
Depreciation Expense - Continuing Operations	Nil	10.33	73.25	28.30	5.60	1.66	1,891.19	400.88	7.44	16.74	7.19	0.02	2,442.60
Disposals	Nil	(0.31)	(0.67)	(1.01)	Nil	Nil	(117.74)	(4.31)	(1.98)	(5.95)	(11.96)	Nil	(143.93)
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.25	Nil	Nil	Nil	Nil	0.25
Balance as at March 31, 2021	**Nil**	**316.25**	**679.19**	**274.37**	**67.21**	**74.31**	**16,300.27**	**2,948.72**	**89.93**	**97.85**	**48.76**	**31.75**	**20,928.61**
Net carrying amount													
As at March 31, 2021	**1,190.69**	**229.04**	**1,734.76**	**540.01**	**38.89**	**523.23**	**32,270.63**	**8,653.38**	**44.02**	**90.53**	**37.73**	**3.55**	**45,356.46**

@ Building includes cost of ordinary shares in co-operative housing societies.

Notes:

(i) The Group has recognised total impairment charge of ₹ 408.18 Crore (March 31, 2021 ₹ 408.18 Crore), the details are as under

(a) ₹ 308.18 crore against the carrying value of the Mundra power generation plant. [Refer Note 8 b.(i)].

(b) ₹ 100.00 crore in respect of Unit 6 generating station (Power Segment) located at Trombay.

(ii) Refer Note 23 and 30 for charge created on Property, Plant and Equipments.

Notes to the Consolidated Financial Statements

5 Right of Use Assets - ('ROU')

Accounting Policy

The Group recognises right of use assets at cost at the commencement date of the lease. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. After the commencement date, ROU assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated remaining useful lives of the assets, as follows:

- Leasehold Land including sub-surface right - 1 to 95 years
- Plant and Equipment - 3-7 years
- Port and Intake channel - 40 years
- Ships - 12.5 years

The Group presents right of use assets that do not meet the definition of investment property in 'Property, Plant and Equipments'.

₹ crore

Description	Leasehold Land (including sub-surface right)	Plant and Equipment	Port and Intake Channel	Ships	Total
Cost					
Balance as at April 1, 2021	995.34	36.39	2,422.31	648.43	4,102.47
Additions	35.07	Nil	111.05	Nil	146.12
Exchange Movement	Nil	0.08	Nil	23.72	23.80
Disposals	Nil	(11.43)	Nil	Nil	(11.43)
Balance as at March 31, 2022	**1,030.41**	**25.04**	**2,533.36**	**672.15**	**4,260.96**
Accumulated depreciation and impairment					
Balance as at April 1, 2021	153.21	14.38	148.86	103.75	420.20
Depreciation Expense	48.06	6.00	77.74	52.87	184.67
Disposals	Nil	(10.66)	Nil	Nil	(10.66)
Exchange Movement	Nil	0.05	Nil	4.71	4.76
Balance as at March 31, 2022	**201.27**	**9.77**	**226.60**	**161.33**	**598.97**
Net carrying amount					
As at March 31, 2022	**829.14**	**15.27**	**2,306.76**	**510.82**	**3,661.99**

₹ crore

Description	Leasehold Land (including sub-surface right)	Plant and Equipment	Port and Intake Channel	Ships	Total
Cost					
Balance as at April 1, 2020	1,029.55	18.95	2,362.54	669.98	4,081.02
Additions	14.51	17.52	59.77	Nil	91.80
Exchange Movement	Nil	(0.08)	Nil	(21.55)	(21.63)
Disposals	(48.72)	Nil	Nil	Nil	(48.72)
Balance as at March 31, 2021	**995.34**	**36.39**	**2,422.31**	**648.43**	**4,102.47**
Accumulated depreciation and impairment					
Balance as at April 1, 2020	120.74	6.35	73.36	53.60	254.05
Depreciation Expense	52.43	8.03	75.50	52.66	188.62
Disposals	(19.96)	Nil	Nil	Nil	(19.96)
Exchange Movement	Nil	Nil	Nil	(2.51)	(2.51)
Balance as at March 31, 2021	**153.21**	**14.38**	**148.86**	**103.75**	**420.20**
Net carrying amount					
As at March 31, 2021	**842.13**	**22.01**	**2,273.45**	**544.68**	**3,682.27**

Notes to the Consolidated Financial Statements

6 Capital Work-in-Progress ('CWIP')

Accounting Policy

The Group recognises capital work in progress at cost, net of accumulated impairment loss, if any.

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Capital Work-in-Progress	4,635.10	3,270.26
Total	**4,635.10**	**3,270.26**

CWIP ageing Schedule as at March 31, 2022

₹ crore

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,105.37	424.19	32.25	69.04	4,630.85
Projects temporarily suspended	0.12	1.91	0.44	1.78	4.25
Total	**4,105.49**	**426.10**	**32.69**	**70.82**	**4,635.10**

CWIP ageing Schedule as at March 31, 2021

₹ crore

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2905.77	225.90	32.90	88.81	3,253.38
Projects temporarily suspended	0.25	0.84	0.49	15.31	16.89
Total	**2,906.02**	**226.74**	**33.39**	**104.12**	**3,270.27**

Note:

(i) In case of Odisha Discoms, CWIP ageing has been determined from the date of acquisition of businesses by the Group.

(ii) There is no material project whose completion is overdue or has exceeded its costs compared to its original plan.

7a Goodwill

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Cost		
Balance as at April 1, 2021	1,794.57	1,641.57
Additions during the year (Refer Note 48)	63.74	153.00
Balance as at March 31, 2022	**1,858.31**	**1,794.57**
Goodwill has been generated on account of the following acquisition over the years :		
Renewables Segment		
Walwhan Renewable Energy Ltd.	1,622.93	1,622.93
TP Wind Power Ltd.	13.10	13.10
Transmission and Distribution Segment		
Tata Power Delhi Distribution Ltd.	5.54	5.54
TP Central Odisha Distribution Ltd.	25.50	25.50
TP Western Odisha Distribution Ltd.	102.00	102.00
TP Southern Odisha Distribution Ltd.	25.50	25.50
TP Northern Odisha Distribution Ltd.	63.74	Nil
	1,858.31	**1,794.57**

Notes to the Consolidated Financial Statements

Impairment assessment of Goodwill (Renewables Segment)

In accordance with IND AS 36 " Impairment of Assets" the Group performed impairment testing of Goodwill assigned to each Cash Generating Unit (CGU) as at March 31, 2022 applying value in use approach across all the CGUs i.e. using cash flow projections based on financial budgets covering contracted power sale agreements with procurers (15 to 20 years) considering a discount rate (pre-tax) of 9.27% per annum. The Group has used financial projections for 15 to 20 years as the tariff rates are fixed as per Power Purchase Agreement (PPA).

Based on the results of the Goodwill impairment test, the estimated value in use in all CGUs were higher than their respective carrying amount, hence impairment provision recorded during the current year is ₹ Nil (March 31, 2021 - ₹ Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the Goodwill.

The key assumptions used in the value in use calculations are as follows:

Operation & Maintenance cost inflation	Escalation of 4% (March 31, 2021 : 5%)
Discount Rate	9.27% (March 31, 2021 8.86%) Pre-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations.
Plant load factor (PLF)	Plant load factor is estimated for each CGU based on past trend of PLF and expected PLF in future years

7b Other Intangible Assets

Accounting Policy

Intangible Assets acquired separately

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any.

Internally generated intangibles

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit and loss when the asset is derecognised.

Amortisation of Intangible Assets

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Notes to the Consolidated Financial Statements

Estimated useful lives of the Intangible Assets are as follows:

Type of assets	Useful lives
Copyrights, patents, other intellectual property rights, services and operating rights	5 years
Customer Contracts acquired under business combination	12 to 25 years
Computer Software	3 to 6 years
Power Distribution Rights	20 years

₹ crore

Description	Copyrights, patents, other intellectual property rights, services and operating rights#	Customer Contracts acquired under business combination	Computer Software $	Power Distribution Rights@	Total
Cost					
Balance as at April 1, 2021	4.97	1,386.14	486.83	95.49	1,973.43
Reclassified to Other Non-Current Financial Assets	Nil	Nil	Nil	(0.61)	(0.61)
Additions	0.64	Nil	133.74	18.86	153.24
Disposal	Nil	(3.02)	(11.30)	(0.06)	(14.38)
Balance as at March 31, 2022	**5.61**	**1,383.12**	**609.27**	**113.68**	**2,111.68**
Accumulated amortisation and impairment					
Balance as at April 1, 2021	4.59	286.16	327.44	9.39	627.58
Amortisation expense - Continuing Operations	0.75	61.04	53.69	5.92	121.40
Disposal	Nil	(3.02)	(0.42)	(0.04)	(3.48)
Balance as at March 31, 2022	**5.34**	**344.18**	**380.71**	**15.27**	**745.50**
Net Carrying amount					
As at March 31, 2022	**0.27**	**1,038.94**	**228.56**	**98.41**	**1,366.18**

₹ crore

Description	Copyrights, patents, other intellectual property rights, services and operating rights#	Customer Contracts acquired under business combination	Computer Software $	Power Distribution Rights @	Total
Cost					
Balance as at April 1, 2020	4.60	1,386.14	415.20	70.51	1,876.45
Reclassified to Other Non-Current Financial Assets	Nil	Nil	Nil	(0.32)	(0.32)
Additions	0.63	Nil	71.74	25.36	97.73
Disposal	(0.26)	Nil	(0.11)	(0.06)	(0.43)
Balance as at March 31, 2021	**4.97**	**1,386.14**	**486.83**	**95.49**	**1,973.43**

Notes to the Consolidated Financial Statements

7b Other Intangible Assets (Contd.)

₹ crore

Description	Copyrights, patents, other intellectual property rights, services and operating rights#	Customer Contracts acquired under business combination	Computer Software $	Power Distribution Rights @	Total
Accumulated amortisation and impairment					
Balance as at April 1, 2020	2.72	226.36	279.93	5.26	514.27
Amortisation expense - Continuing Operations	2.13	59.80	47.62	4.17	113.72
Disposal	(0.26)	Nil	(0.11)	(0.04)	(0.41)
Balance as at March 31, 2020	**4.59**	**286.16**	**327.44**	**9.39**	**627.58**
Net carrying amount					
As at March 31, 2021	**0.38**	**1,099.98**	**159.39**	**86.10**	**1,345.85**

Notes:

Internally generated intangible assets.

$ Other than internally generated Intangible Assets.

@ Power Distribution Rights relate to the value of construction service obligation for construction and upgradation of the power supply infrastructure in Ajmer city as per the agreement with Ajmer Vidyut Vitaran Nigam Ltd.

Depreciation/Amortisation-Continuing Operations

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Depreciation on Tangible Assets	2,821.50	2,442.60
Add: Depreciation on Right of Use Assets	184.67	188.62
Add: Amortisation on Intangible Assets	121.40	113.72
Less: Depreciation/Amortisation Capitalised	(5.37)	Nil
Total	**3,122.20**	**2,744.94**

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method

	As at March 31, 2022 Quantity	As at March 31, 2021 Quantity	Face Value (in ₹ unless stated otherwise)	As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
I Investment in Associates					
(a) Investment in Equity Shares fully Paid-up					
Unquoted					
Brihat Trading Pvt. Ltd.	3,350	3,350	10	0.01	0.01
The Associated Building Co. Ltd.	1,825	1,825	900	5.32	3.69
Yashmun Engineers Ltd.	19,200	19,200	100	3.51	4.28
Dagachhu Hydro Power Corporation Ltd.	10,74,320	10,74,320	Nu 1,000	104.35	97.30
Tata Projects Ltd. (Refer Note 5 below)	7,92,78,886	9,67,500	100	974.74	690.73
			A	**1,087.93**	**796.01**
II Investment in Joint Ventures					
(a) Investment in Equity Shares fully Paid-up					
Unquoted					
PT Kaltim Prima Coal	1,23,540	1,23,540	USD 100	4,702.74	4,395.44
Indocoal Resources (Cayman) Ltd.	300	300	USD 1	3,313.13	3,192.35
PT Indocoal Kaltim Resources	82,380	82,380	IDR 10,000	0.23	0.25
PT Nusa Tambang Pratama	18,000	18,000	IDR 10,000	696.86	746.05
Candice Investments Pte. Ltd.	3	3	SGD 1	32.86	25.22
PT Marvel Capital Indonesia	1,07,459	1,07,459	IDR 10,000	Nil*	Nil*
PT Dwikarya Prima Abadi	10,769	10,769	IDR 1,00,000	50.70	68.63
PT Kalimantan Prima Power	7,500	7,500	USD 100	220.51	205.16
Indocoal KPC Resources (Cayman) Ltd.	300	300	USD 1	0.83	0.82
Adjaristsqali Netherlands BV [Refer Note 19(v)(c)]	20,573	20,573	Euro 1	Nil$	231.18
Khoromkheti Netherlands BV	500	500	Euro 1	Nil	Nil
Resurgent Power Ventures Pte. Ltd.	4,66,205	5,46,319	USD 1	499.47	436.52
Powerlinks Transmission Ltd. (Refer Note 4 below)	23,86,80,000	23,86,80,000	10	497.42	488.80
Industrial Energy Ltd. (Refer Note 4 below)	49,28,40,000	49,28,40,000	10	716.07	700.62
Dugar Hydro Power Ltd.	4,32,50,002	4,32,50,002	10	31.86	31.77
Tubed Coal Mines Ltd.	1,01,97,800	1,01,97,800	10	Nil	Nil
Mandakini Coal Company Ltd. (Refer Note 4 below)	3,93,00,000	3,93,00,000	10	Nil	Nil
				10,762.68	**10,522.81**
Quoted					
PT Baramulti Sukessarana Tbk.	68,02,90,000	68,02,90,000	IDR 100	1,540.83	1,339.63
				12,303.51	**11,862.44**
Less: Impairment in the value of Investments [Refer Note 8b (i) (a) & (b)]					
PT Kaltim Prima Coal				531.03	512.30
PT Baramulti Sukessarana Tbk.				280.41	270.52
Adjaristsqali Netherlands BV [Refer Note 19(v)(c)]				Nil$	221.86
				811.44	**1,004.68**
			B	**11,492.07**	**10,857.76**

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method (Contd.)

	As at March 31, 2022 Quantity	As at March 31, 2021 Quantity	Face Value (in ₹ unless stated otherwise)	As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
(b) Investment in Perpetual Securities in Joint Ventures					
Unquoted					
Adjaristsqali Netherlands BV [Refer Note 19(v)(c)]		N.A.		Nil$	266.86
			C	**Nil**	**266.86**
Total			**A+B+C**	**12,580.00**	**11,920.63**

* Denotes figure below ₹ 50,000

1.	Aggregate Market Value of Quoted Investments	1,352.08	503.41
2.	Aggregate Carrying Value of Quoted Investments (Net of Impairment)	1,260.42	1,069.11
3.	Aggregate Carrying Value of Unquoted Investments (Net of Impairment)	11,319.58	10,851.52

4. Shares pledged :

The Group has pledged shares of joint ventures with the lenders for borrowings availed by the respective joint ventures.

Details	Category	March 31, 2022 Nos.	March 31, 2021 Nos.
Itezhi Tezhi Power Corporation $	Joint Venture	4,52,500	4,52,500
Mandakini Coal Company Ltd.	Joint Venture	2,00,43,000	2,00,43,000
Powerlinks Transmission Ltd.	Joint Venture	23,86,80,000	23,86,80,000
Industrial Energy Ltd.	Joint Venture	25,13,48,400	25,13,48,400

$ Classified as Assets Held for Sale (Refer note 19a)

5. During the year, the Holding Company has subscribed to the right issue of equity shares for ₹ 573.27 crore offered by Tata Projects Limited

III Details of Material Associates

Details of each of the Group's Material Associates at the end of the reporting period are as follows:

Sr. No.	Name of Associate	Principal Activity	Country of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
				As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
A	Tata Projects Ltd.	EPC Contracts	India	47.78%	47.78%
B	Dagachhu Hydro Power Corporation Ltd.	Hydro Power Generation Company	Bhutan	26.00%	26.00%

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method (Contd.)

Summarised Financial Information of Material Associates:

A Tata Projects Ltd.

Summarised Balance Sheet:	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current Assets	1,533.88	1,310.59
Current Assets	16,636.23	14,682.94
Non-current Liabilities	(1,237.33)	(1,834.82)
Current Liabilities	(14,905.60)	(12,748.64)
Net Assets- Gross	**2,027.18**	**1,410.07**
Less: Non-controlling interest	8.92	9.32
Less: Equity Component in Non Convertible Debenture and Other Adjustments	26.97	Nil
Net Assets- Net	**1,991.29**	**1,400.75**

Summarised Statement of Profit and Loss:	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Revenue	13,679.37	12,187.38
Profit/(Loss) for the year	(619.93)	125.70
Other Comprehensive Income/(Expenses) for the year	14.50	(21.45)
Total Comprehensive Income/(Expenses) for the year	**(605.43)**	**104.25**

Reconciliation of the above summarised financial information to the carrying amount of the interest in Tata Projects Ltd. recognised in the consolidated financial statements:

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Net Assets of Tata Projects Ltd.	1,991.29	1,400.75
Proportion of the Group's ownership interest in Tata Projects Ltd.	47.78%	47.78%
	951.44	**667.43**
Goodwill	23.30	23.30
Carrying amount of the Group's interest in Tata Projects Ltd.	**974.74**	**690.73**

B Dagachhu Hydro Power Corporation Ltd.

Summarised Balance Sheet:	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current Assets	969.36	1,053.90
Current Assets	118.94	18.79
Non-current Liabilities	(605.96)	(647.78)
Current Liabilities	(80.99)	(50.87)
Net Assets	**401.35**	**374.04**

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method (Contd.)

Summarised Statement of Profit and Loss:	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Revenue	183.62	181.25
Profit/(Loss) for the year	34.17	64.74
Other Comprehensive Income/(Expenses) for the year	(0.01)	(0.33)
Total Comprehensive Income/(Expenses) for the year	**34.16**	**64.41**
Dividend receivable by the Group during the year	1.78	Nil

Reconciliation of the above summarised financial information to the carrying amount of the interest in Dagachhu Hydro Power Corporation Ltd. recognised in the consolidated financial statements:

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Net Assets of Dagachhu Hydro Power Corporation Ltd.	401.35	374.04
Proportion of the Group's ownership interest in Dagachhu Hydro Power Corporation Ltd.	26.00%	26.00%
Carrying amount of the Group's interest in Dagachhu Hydro Power Corporation Ltd.	**104.35**	**97.30**

IV Details of individually not Material Associates

Name of Associate	Principal Activity	Country of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
			As at March 31, 2022	As at March 31, 2021
			₹ crore	₹ crore
Yashmun Engineers Ltd.	Billing and other related Services	India	27.27%	27.27%
Brihat Trading Private Ltd.	Trading Business	India	33.21%	33.21%
The Associated Building Co. Ltd.	Services Provided for Building	India	33.14%	33.14%

Aggregate Summarised Financial Information of Associates that are not individually material

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
The Group's share of Profit/(Loss) from Continuing Operations	0.88	0.93
The Group's share of Other Comprehensive Income/(Expenses)	0.02	(0.01)
The Group's share of Total Comprehensive Income/(Expenses)	**0.90**	**0.92**

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Aggregate carrying amount of the Group's interests in these Associates	8.84	7.98

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Unrecognised share of loss of an Associates	Nil	Nil

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Cumulative share of loss of an Associates	Nil	Nil

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method (Contd.)

V Details and Financial Information of Material Joint Ventures at the end of the reporting period is as follows:

Sr. No.	Name of Joint Venture	Principal Activity	Country of Incorporation and Principal Place of Business	Proportion of Ownership Interest and Voting Rights held by the Group	
				As at March 31, 2022	As at March 31, 2021
				₹ crore	₹ crore
A	PT Kaltim Prima Coal	Coal mining and exploration	Indonesia	30.00%	30.00%
B	Indocoal Resources (Cayman) Ltd. #	Coal Trading	Cayman Island	30.00%	30.00%
C	PT Nusa Tambang Pratama	Infrastructure Support for Coal Business	Indonesia	30.00%	30.00%
D	PT Baramulti Suksessarana TBK	Coal mining and trading	Indonesia	26.00%	26.00%
E	Industrial Energy Ltd.	Power generation and operation of power plant	India	74.00%	74.00%

Based on Unaudited Financial Information, certified by its Management for the year ended March 31, 2022.

A PT Kaltim Prima Coal

Summarised Balance Sheet:	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current Assets	1,855.91	2,633.42
Current Assets	7,490.07	4,824.48
Non-current Liabilities	(2,541.56)	(480.70)
Current Liabilities	(4,818.43)	(5,531.56)
Net Assets	**1,985.99**	**1,445.64**
The above amounts of assets and liabilities include the following:		
Cash and Cash Equivalents	928.70	484.60
Current Financial Liabilities (excluding trade payables and provisions)	(1,459.06)	(1,813.39)
Non-current Financial Liabilities (excluding trade payables and provisions)	(931.62)	Nil

Summarised Statement of Profit and Loss:	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Revenue	34,205.54	21,662.75
Profit/(Loss) for the year	4,615.00	909.59
Other Comprehensive Income/(Expense) for the year	(58.39)	(10.46)
Total Comprehensive Income/(Expenses) for the year	**4,556.61**	**899.13**
Dividend received by the Group during the year	1,222.47	1,757.62
The above profit/(loss) for the year include the following:		
Depreciation and Amortisation	2,425.39	2,524.56
Interest Income	49.19	43.10
Interest Expense	51.07	140.67
Income-tax Expense	3,232.50	852.85

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method (Contd.)

Reconciliation of the above summarised financial information to the carrying amount of the interest in PT Kaltim Prima Coal recognised in the consolidated financial statements:

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Net Assets of PT Kaltim Prima Coal	1,985.99	1,445.64
Proportion of the Group's ownership interest in PT Kaltim Prima Coal	30.00%	30.00%
	595.80	**433.69**
Goodwill	4,106.94	3,961.75
Carrying amount of the Group's interest in PT Kaltim Prima Coal	**4,702.74**	**4,395.44**
Impairment of Goodwill	(531.03)	(512.30)
Carrying amount of the Group's interest in PT Kaltim Prima Coal (net of impairment)	**4,171.71**	**3,883.14**

B Indocoal Resources (Cayman) Ltd.

Summarised Balance Sheet:	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current Assets	1494.95	Nil
Current Assets	14.65	2,042.62
Non-current Liabilities	(531.43)	Nil
Current Liabilities	(14.65)	(1,126.10)
Net Assets	**963.52**	**916.52**
The above amounts of assets and liabilities include the following:		
Current Financial Liabilities (excluding trade payables and provisions)	(1,151.55)	(1,110.92)

Summarised Statement of Profit and Loss:	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Revenue	Nil	Nil
Profit/(Loss) for the year	13.25	16.33
Other Comprehensive Income/(Expense) for the year	Nil	Nil
Total Comprehensive Income/(Expenses) for the year	**13.25**	**16.33**
Dividend received by the Group during the year	Nil	491.14
The above profit/(loss) for the year include the following:		
Interest Income	13.37	22.15

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method (Contd.)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Indocoal Resources (Cayman) Ltd. recognised in the consolidated financial statements:

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Net Assets of Indocoal Resources (Cayman) Ltd.	963.52	916.52
Proportion of the Group's ownership interest in Indocoal Resources (Cayman) Ltd.	30.00%	30.00%
	289.06	**274.96**
Goodwill	3,024.07	2,917.39
Carrying amount of the Group's interest in Indocoal Resources (Cayman) Ltd.	**3,313.13**	**3,192.35**

C PT Nusa Tambang Pratama

Summarised Balance Sheet:	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current Assets	1,839.67	1,917.41
Current Assets	1,358.11	1,464.92
Non-current Liabilities	(134.57)	(116.72)
Current Liabilities	(740.33)	(778.77)
Net Assets	**2,322.88**	**2,486.84**
The above amounts of assets and liabilities include the following:		
Cash and Cash Equivalents	56.29	123.76
Current Financial Liabilities (excluding trade payables and provisions)	(372.88)	(638.50)

Summarised Statement of Profit and Loss:	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Revenue	814.86	934.63
Profit/(Loss) for the year	466.03	652.61
Other Comprehensive Income/(Expenses) for the year	Nil	0.13
Total Comprehensive Income/(Expenses) for the year	**466.03**	**652.74**
Dividend received by the Group during the year	Nil	Nil
The above profit/(loss) for the year include the following:		
Depreciation and Amortisation	148.21	147.17
Interest Income	15.29	51.79
Interest Expense	36.00	62.40
Income-tax Expense	147.08	164.99

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method (Contd.)

Reconciliation of the above summarised financial information to the carrying amount of the interest in PT Nusa Tambang Pratama recognised in the consolidated financial statements:

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Net Assets of PT Nusa Tambang Pratama	2,322.88	2,486.84
Proportion of the Group's ownership interest in PT Nusa Tambang Pratama	30.00%	30.00%
Carrying amount of the Group's interest in PT Nusa Tambang Pratama	**696.86**	**746.05**

D PT Baramulti Suksessarana TBK

Summarised Balance Sheet:	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current Assets	1,347.00	1,220.39
Current Assets	1,703.17	786.12
Non-current Liabilities	(92.26)	(106.52)
Current Liabilities	(856.42)	(435.92)
Net Assets	**2,101.49**	**1,464.07**
The above amounts of assets and liabilities include the following:		
Cash and Cash Equivalents	784.35	281.06
Current Financial Liabilities (excluding trade payables and provisions)	(378.36)	(38.05)
Non-current Financial Liabilities (excluding trade payables and provisions)	(37.03)	(57.28)

Summarised Statement of Profit and Loss:	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Revenue	5,413.34	2,358.18
Profit/(Loss) for the year	1,642.16	222.07
Other Comprehensive Income/(Expense) for the year	(1.09)	(3.24)
Total Comprehensive Income/(Expenses) for the year	**1,641.07**	**218.83**
Dividend received by the Group during the year	277.03	19.29
The above profit for the year include the following:		
Depreciation and amortisation	161.89	107.74
Interest Income	4.35	2.58
Interest Expense	5.20	5.90
Income-tax Expense	474.02	70.42

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method (Contd.)

Reconciliation of the above summarised financial information to the carrying amount of the interest in PT Baramulti Suksessarana TBK recognised in the consolidated financial statements:

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Net Assets of PT Baramulti Suksessarana TBK	2,101.49	1,464.07
Proportion of the Group's ownership interest in PT Baramulti Suksessarana TBK	26.00%	26.00%
	546.39	**380.66**
Goodwill	994.44	958.97
Carrying amount of the Group's interest in PT Baramulti Suksessarana TBK	**1,540.83**	**1,339.63**
Impairment of Goodwill	(280.41)	(270.52)
Carrying amount of the Group's interest in PT Baramulti Suksessarana TBK (net of impairment)	**1,260.42**	**1,069.11**

E Industrial Energy Ltd.

Summarised Balance Sheet:	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current Assets	1,745.30	1,637.24
Current Assets	245.70	268.09
Non-current Liabilities	(692.41)	(724.66)
Current Liabilities	(330.92)	(233.87)
Net Assets	**967.67**	**946.80**
The above amounts of assets and liabilities include the following:		
Cash and Cash Equivalents	4.45	6.50
Current Financial Liabilities (excluding trade payables and provisions)	(290.44)	(201.15)
Non-current Financial Liabilities (excluding trade payables and provisions)	(465.13)	(503.88)

Summarised Statement of Profit and Loss:	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Revenue	300.30	297.90
Profit/(Loss) for the year	121.10	111.64
Other Comprehensive Income/(Expense) for the year	(0.33)	0.64
Total Comprehensive Income/(Expenses) for the year	**120.77**	**112.28**
Dividend received by the Group during the year	73.93	Nil
The above profit/(loss) for the year include the following:		
Depreciation and Amortisation	Nil	Nil
Interest Income	0.65	0.31
Interest Expense	42.04	51.62
Income-tax Expense	32.42	38.16

Notes to the Consolidated Financial Statements

8 a Investments accounted for using the Equity Method (Contd.)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Industrial Energy Ltd. recognised in the consolidated financial statements:

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Net Assets of Industrial Energy Ltd.	967.67	946.80
Proportion of the Group's ownership interest in Industrial Energy Ltd.	74.00%	74.00%
Carrying amount of the Group's interest in Industrial Energy Ltd.	**716.07**	**700.62**

VI Details and Financial Information of Individually not Material Joint Ventures at the end of the reporting period is as follows:

Name of Joint Venture	Principal Activity	Country of Incorporation and Principal Place of Business	Proportion of Ownership Interest and Voting Rights held by the Group	
			As at March 31, 2022	As at March 31, 2021
			₹ crore	₹ crore
PT Indocoal Kaltim Resources #	Infrastructure Support for Coal Business	Indonesia	30.00%	30.00%
Candice Investments Pte. Ltd.#	Investments	Singapore	30.00%	30.00%
PT Marvel Capital Indonesia #	Infrastructure Support for Coal Business	Indonesia	30.00%	30.00%
PT Dwikarya Prima Abadi #	Infrastructure Support for Coal Business	Indonesia	30.00%	30.00%
PT Kalimantan Prima Power	Electricity Support Services	Indonesia	30.00%	30.00%
Indocoal KPC Resources (Cayman) Ltd. #	Coal Trading	Cayman Island	30.00%	30.00%
Adjaristsqali Netherlands BV*	Hydro power generation	Netherlands	50.00%	50.00%
Resurgent Power Ventures Pte Ltd.	Investments and Services	Singapore	26.00%	26.00%
Powerlinks Transmission Ltd.	Power Transmission	India	51.00%	51.00%
Dugar Hydro Power Ltd.	Hydro power generation	India	50.00%	50.00%
Tubed Coal Mines Ltd. #	Coal mining and trading	India	40.00%	40.00%
Mandakini Coal Company Ltd. #	Coal mining and trading	India	33.33%	33.33%

Based on Unaudited Financial Information, certified by its Management for the year ended March 31, 2022.

* Classified as Assets Held For sale (Refer Note 19a)

Aggregate Summarised Financial Information of Joint Ventures that are not individually material

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
The Group's share of profit/(loss) from continuing operations	184.41	181.66
The Group's share of Other Comprehensive Income/(Expenses)	Nil	Nil
The Group's share of Total Comprehensive Income/(Expenses)	**184.41**	**181.66**

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Aggregate carrying amount of the Group's interests in these Joint Ventures	1,333.88	1,755.21
Impairment of Investments	Nil	(221.86)
Carrying amount of the Group's interest in these Joint Ventures	**1,333.88**	**1,533.35**

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
The unrecognised share of profit of Joint Ventures for the year	*	*

Note:

* Denotes figures below ₹ 50,000/-.

Notes to the Consolidated Financial Statements

8 b Investments accounted for using the Equity Method

(i) The Group had in accordance with Ind AS 36 – "Impairment of Assets", carried out impairment assessment of its Mundra Ultra Mega Power Project (UMPP), along with investments in Indonesian mining companies PT Kaltim Prima Coal (KPC) and PT Baramulti Suksessarana TBK (BSSR). All these investments in Companies and assets of UMPP constitute a single cash generating unit (Mundra CGU) and form part of same segment due to inter-dependency of cash flows.

The Group has performed the impairment reassessment and determined the value in use based on estimated cash flow projections over the life of the assets included in CGU. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

For Mundra power plant, future cash flows is estimated based on remaining period of long term power purchase agreement (PPA) and thereafter based on management's estimate on tariff and other assumptions. Further, as discussed in note - 31(i), Group is in advance stage of discussion on supplementary Power Purchase Agreement (SPPA) which is likely to be signed and accordingly the same has been considered in estimating the future cashflows. Cash flow projection of mines are derived based on estimated coal production considering renewed license for operating the mines. The License for operating mines are renewed for 10 years with an option of renewal of further period of 10 years with Government of Indonesia. In the past, the Group has recognised net impairment of ₹ 1,122.38 crore against carrying value of Mundra CGU which consists of impairment of investments of ₹ 811.44 crore, Property, Plant and Equipment ₹ 308.18 crore and impairment of intangible assets ₹ 2.76 crore.

During the year, the Group has performed the impairment reassessment and determined the value in use based on estimated cash flow projections over the life of the assets included in Mundra CGU. A reassessment of the assumptions used in estimating the impact of impairment, combined with the significant impact of unwinding of a year's discount on the cash flows, would result in a reversal of ₹ 1,122.38 crore of provision for impairment. The Group believes that the reversal of impairment has not resulted from any significant improvement in the estimated service potential of the concerned CGU and hence the Group has not effected the reversal of impairment.

Key assumptions used for value in use calculation include coal prices, energy prices post the PPA period, signing of SPPA, discount rates and exchange rates. Short term coal prices and energy prices used in three to five years projections are based on market survey and expert analysis report. Afterwards increase in cost of coal and exchange rates are considered based on long term historical trend. Further, the management strongly believes that mining licenses will be renewed after post expiry for a further period of 10 years by Government of Indonesia. Discount rate represents the current market assessment of the risk specific to CGU taking into consideration the time value of money. Pre-tax discount rate used in the calculation of value in use of investment in power plant is 9.45% p.a. (March 31, 2021: 10.50% p.a.) and investment in coal mines and related infrastructure companies is 13.44% p.a. (March 31, 2021: 14.11% p.a.).

8 c Other Investments

	As at March 31, 2022 Quantity	As at March 31, 2021 Quantity	Face Value (in ₹ unless stated otherwise)	As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
(i) Investments designated at Fair Value through Other Comprehensive Income					
(a) Investment in Equity Shares fully Paid-up					
Quoted					
Voltas Ltd.	2,33,420	2,33,420	1	29.07	23.39
Tata Consultancy Services Ltd.	766	766	1	0.29	0.24
Tata Teleservices (Maharashtra) Ltd. (Refer Note 5 below)	12,67,20,193	Nil	10	447.96	Nil
Bharti Airtel Ltd	62,919	62,919	10	4.75	3.25
Tata Motors Ltd.	3,57,159	3,57,159	10	15.49	10.78
Tata Motors Ltd. - Differential Voting Rights	51,022	51,022	10	1.05	0.65
Tata Investment Corporation Ltd.	7,94,416	7,94,416	2	107.76	82.26
				606.37	**120.57**

Notes to the Consolidated Financial Statements

8 c Other Investments (Contd.)

	As at March 31, 2022 Quantity	As at March 31, 2021 Quantity	Face Value (in ₹ unless stated otherwise)	As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
(b) Investment in Equity Shares fully Paid-up					
Unquoted					
Tata Services Ltd.	1,664	1,664	1,000	Nil	Nil
Tata Industries Ltd. *	68,28,669	68,28,669	100	115.47	115.47
Tata Sons Pvt. Ltd. *	6,673	6,673	1,000	194.70	194.70
Haldia Petrochemicals Ltd.	2,24,99,999	2,24,99,999	10	56.48	56.48
Tata International Ltd. (Refer Note 4 below)	36,000	36,000	1,000	58.44	58.44
Taj Air Ltd.	79,00,760	79,00,760	10	Nil	Nil
Tata Capital Ltd.	23,33,070	23,33,070	10	12.04	12.04
Others				1.89	1.89
				439.02	**439.02**
Sub-total I (a) + I (b)				**1,045.39**	**559.59**
II Investments carried at Fair Value through Profit or Loss					
(a) Investment in Equity Shares fully Paid-up					
Quoted					
Geodynamics Ltd	Nil	2,94,00,000	AUD 1.50	Nil	1.26
(b) Investment in Equity Shares fully Paid-up					
Unquoted					
Power Exchange India Limited	25,00,000	25,00,000	10	2.50	2.50
Sunengy Pte. Ltd.	3,04,838	3,04,838	AUD 2.10	4.82	4.65
Technopolis Knowledge Park Ltd.	18,10,000	18,10,000	10	1.81	1.81
Zoroastrian Co-operative Bank Ltd.	6,000	6,000	25	0.16	0.16
Less - Impairment of Investment					
Power Exchange India Limited				2.50	2.50
Sunengy Pte. Ltd.				4.82	4.65
Technopolis Knowledge Park Ltd.				1.81	1.81
Sub-total II (a) + II (b)				**0.16**	**1.42**
III Investments carried at Amortised Cost					
(a) Government Securities (Unquoted) fully Paid-up				Nil	3.03
(b) Statutory Investments					
Contingencies Reserve Fund Investments					
Government Securities (Unquoted) fully paid-up				124.26	164.84
Sub-total III (a) + III (b)				**124.26**	**167.87**
Total				**1,169.81**	**728.88**

*The cost of these investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

Notes:

1.	Aggregate Market Value of Quoted Investments	2,270.84	121.83
2.	Aggregate Carrying Value of Quoted Investments (Refer Note- 5 below)	606.37	121.83
3.	Aggregate Carrying Value of Unquoted Investments	563.44	607.05

4. During the previous year, the Group subscribed to right issue of 12,000 equity shares from Tata International Ltd.
5. The Group holds 12.67 crore shares of Tata Teleservices (Maharashtra) Limited ("TTML") designated as fair value through OCI which is carried out at each balance sheet date basis the quoted price. Quoted price of TTML has increased from ₹ 35.35 per share as on 30th September 2021 to ₹ 166.70 per share as on March 31, 2022. The management believe that this quoted price may not represent the fair value of TTML shares since it has accumulated losses and negative net worth. Accordingly on a conservative basis, the management have not recognized any fair value gain in OCI after 30th September, 2021.

Notes to the Consolidated Financial Statements

9. Trade Receivables

(Unsecured unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
Considered Good [Refer Note 40 (d),(e),(m),(n) & (p)]	685.78	604.71
Significant Increase in Credit Risk	Nil	Nil
Credit Impaired	1.81	1.18
	687.59	**605.89**
Less: Allowance for Doubtful Trade Receivables	1.81	1.18
Total	**685.78**	**604.71**
Current		
Considered Good - Secured (Refer Note 1 below)	556.38	453.83
Considered Good - (Refer Note 2 below)	4,503.82	4,711.01
Significant Increase in Credit Risk	1,197.08	180.64
Credit Impaired	296.02	292.25
	6,553.30	**5,637.73**
Less: Allowance for Doubtful Trade Receivables	573.56	437.65
Total	**5,979.74**	**5,200.08**

Note:

1. The Group holds security deposits and Letter of Credit of ₹ 556.38 crore (March 31, 2021 - ₹ 453.83 crore).
2. The carrying amount of trade receivable does not include receivables of ₹ 1,150.64 Crore (March 31, 2021: ₹ 188.67 Crore) which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash on non recourse basis. The Group, therefore, has derecognised the said receivables under the said arrangement. Amount received from such customers not transferred to factoring agent is disclosed as financial liability (Refer Note 26).

9.1 Trade Receivables

The Group has used practical expedient by computing the Expected Credit Loss 'ECL' allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience of Holding Company and respective subsidiaries and adjusted for forward looking information. The ECL allowance is based on the ageing of the days the receivables and has been calculated and applied at the respective entity level of the Group.

In case of Odisha Discoms, the management believes that collection data related to pre-acquisition period is not relevant to assess ECL allowance on receivables in the post-acquisition period. In the absence of availability of adequate and relevant past data related to payment behaviours, the Group has elected to recognise ECL allowance on trade receivables as per the OERC tariff regulations, i.e., @ 1% of revenue from power supply. Post-acquisition of Odisha Discoms, the Group's endeavour has been to reduce AT&C losses, reducing provisional billing and improving collection through better reach to consumers. In the process, the Group has faced several challenges including Covid waves, Cyclones and delays in appointment/ working of metering, billing and collection (MBC) agencies for reasons beyond control of the Group. The Group has successfully dealt with these challenges. It has reduced provisional billing and also collected significant amount towards pre-acquisition receivables on behalf of the erstwhile Odisha Discom utilities. The management is confident it will be able to collect most of the outstanding receivables as it increases its reach to the consumers and also considering that electricity is an essential commodity for all consumers. Accordingly, the management believes the above ECL allowance reflects best estimate and is appropriate as per Ind AS 109 – Financial Instruments.

Notes to the Consolidated Financial Statements

9. Trade Receivables (Contd.)

Trade Receivables Ageing schedule as at March 31, 2022

₹ crore

Particulars	Not due	Outstanding for following periods from due date of payment #					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
Non - Current							
(i) Undisputed Trade Receivables							
a) Considered good	44.92	197.6	49.3	98.78	102.88	82.53	576.01
b) Significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Credit Impaired	1.81	Nil	Nil	Nil	Nil	Nil	1.81
(ii) Disputed Trade Receivables							
a) Considered good	18.93	Nil	2.93	33.2	36.28	18.43	109.77
b) Significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Credit Impaired	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	**65.66**	**197.60**	**52.23**	**131.98**	**139.16**	**100.96**	**687.59**
Current							
(i) Undisputed Trade Receivables							
a) Considered good	2,182.10	1,493.10	805.46	194.87	114.45	102.88	4,892.86
b) Significant increase in credit risk	5.51	307.78	309.18	415.88	1.74	3.54	1,043.63
c) Credit Impaired	0.31	0.89	1.87	4.50	11.30	63.46	82.33
(ii) Disputed Trade Receivables							
a) Considered good	46.63	12.94	24.41	11.16	0.02	72.18	167.34
b) Significant increase in credit risk	3.21	94.02	30.42	23.97	0.31	1.52	153.45
c) Credit Impaired	Nil	4.35	2.83	6.31	13.55	186.65	213.69
Total	**2,237.76**	**1,913.08**	**1,174.17**	**656.69**	**141.37**	**430.23**	**6,553.30**

Where due date of payment is not available date of transaction has been considered

Trade Receivables Ageing schedule as at March 31, 2021

₹ crore

Particulars	Not due	Outstanding for following periods from due date of payment #					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
Non - Current							
(i) Undisputed Trade Receivables							
a) Considered good	225.57	74.72	73.27	74.44	68.80	Nil	516.80
b) Significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Credit Impaired	1.18	Nil	Nil	Nil	Nil	Nil	1.18
(ii) Disputed Trade Receivables							
a) Considered good	Nil	Nil	33.20	36.28	18.43		87.91
b) Significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Credit Impaired	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	**226.75**	**74.72**	**106.47**	**110.72**	**87.23**	**Nil**	**605.89**
Current							
(i) Undisputed Trade Receivables							
a) Considered good	2,791.03	1,465.70	397.30	236.22	69.75	98.31	5,058.31
b) Significant increase in credit risk	7.49	103.67	11.86	34.43	3.16	0.96	161.57
c) Credit Impaired	0.29	0.97	2.37	10.51	13.41	58.64	86.19
(ii) Disputed Trade Receivables							
a) Considered good	2.33	2.66	8.25	5.11	17.87	70.31	106.53
b) Significant increase in credit risk	1.42	11.50	2.95	1.39	0.38	1.43	19.07
c) Credit Impaired	Nil	5.47	1.31	13.04	29.40	156.84	206.06
Total	**2,802.56**	**1,589.97**	**424.04**	**300.70**	**133.97**	**386.49**	**5,637.73**

Where due date of payment is not available date of transaction has been considered

Notes to the Consolidated Financial Statements

9. Trade Receivables (Contd.)

Movement in the allowance for doubtful trade receivables

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Balance at the beginning of the year	438.83	438.06
Add: Expected credit loss provided/(reversed)	136.54	0.77
Balance at the end of the year	**575.37**	**438.83**

The concentration of credit risk is very limited due to the fact that the large customers are mainly Government entities and remaining customers base is large and widely dispersed and secured with security deposit.

10. Loans - At Amortised Cost

(Unsecured unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
(i) Loans to Related Parties (Refer Note 42)		
Considered Good*	Nil	Nil
Credit Impaired	54.39	54.39
	54.39	**54.39**
Less: Allowances for Doubtful Loans	54.39	54.39
	Nil	**Nil**
(ii) Other Loans		
Loans to Employees		
Considered Good	3.45	4.60
Total	**3.45**	**4.60**
Current		
(i) Loans to Related Parties (Refer Note 42)		
Considered Good	Nil	Nil
Credit Impaired	35.35	35.23
	35.35	**35.23**
Less: Allowances for Doubtful Loans	35.35	35.23
	Nil	**Nil**
(ii) Other Loans		
Loans to Employees		
Considered Good	9.34	7.63
	9.34	**7.63**
Total	**9.34**	**7.63**

* Classified as Held for Sale. (Refer Note 19a)

Notes to the Consolidated Financial Statements

11. Finance Lease Receivable - At Amortised Cost

(Unsecured unless otherwise stated)

Accounting Policy

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating lease. Amount due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Finance Lease Receivable - Non-current	588.69	598.61
Finance Lease Receivable - Current	46.91	41.45
Total	**635.60**	**640.06**

11.1 Leasing Arrangements

(i) The Group has entered into Power Purchase Agreements (PPA) with a customer for its assets located at Jojobera. The assets relate to 30 years of take or pay agreements with the customer to supply electricity at a fixed plus variable charge. The customer, during the term of the PPAs has a right to purchase the assets and at the end of the contract is obligated to purchase same on the basis of the valuation to be determined as per the PPAs. The Group has recognised an amount of ₹ 77.68 crore (March 31, 2021 ₹ 84.66 crore) as income for finance lease during the year ended March 31, 2022.

(ii) The Group has entered into Power Purchase Agreements (PPA) with various customers for its rooftop solar assets located across various locations. As this arrangement is dependent on the use of a specific asset and conveys a right to use on the customer, it qualifies as a lease. As these are long tenor PPAs spread over a major part of the economic life of the asset, this arrangement has been categorized as a finance lease. The Group has recognised an amount of ₹ 3.09 crore (March 31, 2021 ₹ 6.57 crore) as income for finance lease during the year ended March 31, 2022.

(iii) Electric Vehicle charging facilities: The Group has entered into arrangement with customer for providing Infrastructure facilities and chargers for public transport utilities.The arrangement is for the period of 10 years for providing and maintaining infrastructure facility at a fixed charge.The Group has recognised an amount of ₹ 2.13 crore as income for finance lease during the year ended March 31, 2022.

11.2 Amount receivable under Finance Lease

Particulars	Minimum Lease Payments as at March 31, 2022	Minimum Lease Payments as at March 31, 2021
	₹ crore	₹ crore
Less than a year	130.74	126.75
One to two years	123.97	120.12
Two to three years	123.00	118.93
Three to four years	121.16	117.79
Four to five years	118.79	115.94
Total (A)	**617.66**	**599.53**
More than five years (B)	549.87	641.50
Total (A +B)	**1,167.53**	**1,241.03**
Unearned finance income	531.93	600.97
Present Value of Minimum Lease Payments Receivable	**635.60**	**640.06**

Lessor - Operating Lease

The Group has entered into operating leases for its certain building, plant and machinery and other equipments. These typically have lease terms of between 1 and 10 years. The Group has recognized an amount of ₹ 18.95 crore (March 31, 2021 - ₹ 11.98 crore) as rental income for operating lease during the year ended March 31, 2022.

Notes to the Consolidated Financial Statements

12. Other Financial Assets - At Amortised Cost

(Unsecured unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-Current		
(i) Security Deposits		
Considered Good	84.54	59.50
Credit Impaired	30.29	32.41
	114.83	**91.91**
Less: Allowances for Doubtful Security Deposits	30.29	32.39
	84.54	**59.52**
(ii) Receivables under Service Concession Agreement	**194.02**	**196.14**
(iii) Unbilled Revenue	**114.64**	**104.47**
(iv) Others		
Unsecured, considered good		
Advance towards Equity (Refer Note 1 below)	Nil	191.24
Government Grants Receivables*	6.70	14.82
In Deposit Accounts (with maturity more than twelve months)	1,133.73	859.00
Receivable on sale of Strategic Engineering Division (at FVTPL) (Refer Note 2 below)	Nil	365.99
Other Receivables	150.90	128.07
	1,291.33	**1,559.12**
Total	**1,684.53**	**1,919.25**

Note:

1 During the year,pursuant to the vesting order by the Odisha Electricity Regulatory Commission ('OERC') for the completion of sale, the equity shares of North Electricity Supply Utility of Odisha has been issued against the advance of ₹191.24 crore which was paid to OERC in the previous year.

2 Previous year includes contingent consideration receivable on sale of Strategic Engineering Division (SED) by the Group on achievement of certain milestone (Refer Note 19c).

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Current		
(i) Security Deposits		
Considered Good	38.32	28.44
Credit Impaired	5.63	5.48
	43.95	**33.92**
Less: Allowances for Doubtful Security Deposits	5.63	5.48
	38.32	**28.44**
(ii) Accruals		
Unsecured, considered good		
Interest Accrued on Inter-corporate/Bank Deposits	71.08	40.31
Interest Accrued on Investments	3.51	3.48
Interest Accrued on Finance Lease Receivable	6.29	6.63
Interest Accrued on Loans to Related Parties	8.27	5.22
Unsecured, considered doubtful		
Interest Accrued on Inter-corporate/Bank Deposits	1.40	1.40
	90.55	**57.04**
Less: Provision for Doubtful Interest	1.40	1.40
	89.15	**55.64**

Notes to the Consolidated Financial Statements

12. Other Financial Assets - At Amortised Cost (Contd.)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
(iii) Receivables under Service Concession Agreement	**4.43**	**4.08**
(iv) Others		
Unsecured, considered good		
Dividend Receivable	1.78	Nil
Derivative Contract (Fair Value through Profit and Loss)	5.06	1.48
Receivable on sale of Property, Plant and Equipments	2.69	2.74
Insurance Claims Receivable	1.55	4.16
Government Grants Receivables*	41.70	32.35
Recoverable from consumers	98.68	75.65
Other Advances	216.47	105.88
Balances with Banks: (Refer Note below)		
In Deposit Accounts (with remaining maturity of less than twelve months)	1.62	19.19
Unsecured, considered doubtful		
Other Receivables	3.45	2.35
	373.00	243.80
Less: Allowances for Doubtful Receivables	3.45	2.35
	369.55	**241.45**
Total	**501.45**	**329.61**

Note:

Balances with Banks held as Margin Money Deposits against Guarantees.

* One of the subsidiary of the Group is eligible for government grant for certain solar projects. The subsidiary company is in the process of creating charge on project assets in favour of Solar Energy Corporation of India. Once the charge is created, the subsidiary company will file application for release of the grant.

13. Tax Assets

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current Tax Assets		
Advance Income-tax (Net)	520.54	359.83
Total	**520.54**	**359.83**
Current Tax Assets		
Advance Income-tax (Net)	0.01	Nil
Total	**0.01**	**Nil**

14. Deferred Tax

Accounting Policy

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. 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.

Notes to the Consolidated Financial Statements

14. Deferred Tax (Contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

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

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

Deferred tax related to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where one or more units of the Group are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes to the Consolidated Financial Statements

14a Deferred Tax Assets

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Deferred Tax Assets	4,860.01	3,197.10
Deferred Tax Liabilities	4,525.41	3,013.08
Total - Net Deferred Tax Assets	**334.60**	**184.02**

2021-22	Opening Balance	Recognised in Profit and Loss / Reclassified from Deferred tax liability [Refer Note 14(b)]	Recognised in Other Comprehensive Income	Closing Balance
	₹ crore	₹ crore	₹ crore	₹ crore
Deferred Tax Assets in relation to:				
Allowance for Doubtful Debts, Deposits and Advances	47.85	35.75	Nil	83.60
Provision for Employee Benefits and Others	37.70	59.40	35.65	132.75
Unabsorbed Depreciation	2,051.63	1,053.44	Nil	3,105.07
Measuring of Derivative Financial Instruments at Fair Value	100.84	(5.24)	(32.94)	62.66
Carry Forward Losses	6.60	(4.05)	Nil	2.55
Deferred Revenue	171.81	32.09	Nil	203.90
MAT Credit Entitlement	94.09	454.09	Nil	548.18
Lease Liabilities	638.72	11.02	Nil	649.74
Others	47.87	23.70	Nil	71.57
	3,197.10	**1,660.20**	**2.71**	**4,860.01**
Deferred Tax Liabilities in relation to:				
Property, Plant and Equipment*	2,978.78	1,507.04	Nil	4,485.82
Others	34.30	5.29	Nil	39.59
	3,013.08	**1,512.33**	**Nil**	**4,525.41**
Net Deferred Tax Assets	**184.02**	**147.87**	**2.71**	**334.60**

* including Finance lease receivables, Right of Use and Intangible Assets

2020-2021	Opening Balance	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
	₹ crore	₹ crore	₹ crore	₹ crore
Deferred Tax Assets in relation to:				
Allowance for Doubtful Debts, Deposits and Advances	41.69	6.16	Nil	47.85
Provision for Employee Benefits and Others	9.97	27.73	Nil	37.70
Unabsorbed Depreciation	3,173.69	(1,122.06)	Nil	2,051.63
Measuring of Derivative Financial Instruments at Fair Value	0.15	7.12	93.57	100.84
Carry Forward Losses	78.94	(72.39)	0.05	6.60
Deferred Revenue	184.56	(12.75)	Nil	171.81
MAT Credit Entitlement	76.76	17.33	Nil	94.09
Lease Liabilities	859.92	(221.20)	Nil	638.72
Others	6.92	40.95	Nil	47.87
	4,432.60	**(1,329.12)**	**93.62**	**3,197.10**
Deferred Tax Liabilities in relation to:				
Property, Plant and Equipment*	4,322.80	(1,344.02)	Nil	2,978.78
Others	35.56	(33.69)	32.43	34.30
	4,358.36	**(1,377.71)**	**32.43**	**3,013.08**
Net Deferred Tax Assets	**74.24**	**48.59**	**61.19**	**184.02**

* including Right of Use and Intangible Assets

Notes to the Consolidated Financial Statements

14b Deferred Tax Liabilities

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Deferred Tax Assets	659.50	2,108.70
Deferred Tax Liabilities	1,692.80	3,084.85
Total - Net Deferred Tax Liabilities	**1,033.30**	**976.15**

2021-22	Opening Balance	Recognised in Profit and Loss / Reclassified to Deferred tax assets [Refer Note 14(a)]	Recognised in Other Comprehensive Income	Closing Balance
	₹ crore	₹ crore	₹ crore	₹ crore
Deferred tax assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	65.53	(11.89)	Nil	53.64
Provision for Employee Benefits and Others	100.28	(68.45)	(2.50)	29.33
Unabsorbed Depreciation	134.25	23.41	Nil	157.66
Carry Forward Losses	512.12	(503.12)	Nil	9.00
MAT Credit Entitlement	1,234.65	(892.73)	Nil	341.92
Government Grant	0.48	(0.31)	Nil	0.17
Deferred Revenue	32.90	5.35	Nil	38.25
Lease Liabilities	1.65	(1.65)	Nil	Nil
Others	26.84	2.69	Nil	29.53
	2,108.70	**(1,446.70)**	**(2.50)**	**659.50**
Deferred tax liabilities in relation to				
Property, Plant and Equipments*	2870.33	(1379.29)	Nil	1,491.04
Borrowings	11.51	(6.88)	Nil	4.63
Deferred Revenue -Ind AS 115	26.30	2.55	Nil	28.85
Revaluation on Consolidation	82.71	Nil	Nil	82.71
Undistributed Profits of Joint Ventures	95.18	(18.99)	Nil	76.19
Others	(1.18)	8.16	2.40	9.38
	3,084.85	**(1,394.45)**	**2.40**	**1,692.80**
Net Deferred Tax Liabilities	**976.15**	**52.25**	**4.90**	**1,033.30**

* including Finance lease receivables, Right of Use and Intangible Assets

2020-2021	Opening Balance	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
	₹ crore	₹ crore	₹ crore	₹ crore
Deferred tax assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	59.30	6.23	Nil	65.53
Provision for Employee Benefits and Others	92.61	12.58	(4.91)	100.28
Unabsorbed Depreciation	69.64	64.61	Nil	134.25
Carry Forward Losses	375.89	136.23	Nil	512.12
MAT Credit Entitlement	1173.73	60.92	Nil	1,234.65
Government Grant	0.95	(0.47)	Nil	0.48
Deferred Revenue	29.01	3.89	Nil	32.90
Lease Liabilities	12.40	(10.75)	Nil	1.65
Others	25.02	1.64	0.18	26.84
	1,838.55	**274.88**	**(4.73)**	**2,108.70**

Notes to the Consolidated Financial Statements

14b Deferred Tax Liabilities (Contd.)

2020-2021	Opening Balance	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
	₹ crore	₹ crore	₹ crore	₹ crore
Deferred tax liabilities in relation to				
Property, Plant and Equipments*	2,737.96	132.37	Nil	2,870.33
Borrowings	9.39	2.12	Nil	11.51
Deferred Revenue -Ind AS 115	24.00	2.30	Nil	26.30
Revaluation on Consolidation	107.67	(24.96)	Nil	82.71
Derivative financial instruments designated for hedging	32.43	Nil	(32.43)	Nil
Undistributed Profits of Joint Ventures	99.99	(4.81)	Nil	95.18
Others	1.15	(2.33)	Nil	(1.18)
	3,012.59	**104.69**	**(32.43)**	**3,084.85**
Net Deferred Tax Liabilities	**1,174.04**	**(170.19)**	**(27.70)**	**976.15**

* including Finance lease receivables, Right of Use and Intangible Assets

Notes:

i. The amount and the expiry of unrecognised deferred tax asset is as detailed below:

As at March 31, 2022

Unrecognised deferred tax assets	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Closing balance
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Capital Loss on sale of investment and indexation benefit*	Nil	407.92	141.96	Nil	549.88
Business losses	Nil	Nil	1,025.36	Nil	1,025.36
Unabsorbed depreciation	Nil	Nil	Nil	134.00	134.00
Total	**Nil**	**407.92**	**1,167.32**	**134.00**	**1,709.24**

As at March 31, 2021

Unrecognised deferred tax assets	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Closing balance
	₹ crore	₹ crore	₹ crore	₹ crore	
Business losses	163.81	121.33	670.70	Nil	955.84
Unabsorbed depreciation	Nil	Nil	Nil	1,788.49	1,788.49
MAT credit	Nil	4.67	212.98	Nil	217.65
Capital Loss	Nil	Nil	502.89	8.48	511.37
Total	**163.81**	**126.00**	**1,386.57**	**1,796.97**	**3,473.35**

* The unrecognised deferred tax asset on impairment of investments of ₹ 141.96 crores (March 31, 2021: ₹ 134.61 crores) relating to capital loss shall expire within 8 years from the date of sale of investment.

ii. The Group has not recognized any deferred tax liabilities for taxes amounting to ₹ 2,673.90 crore (March 31, 2021 - ₹ 2,617.47 crore) that would be payable on the Group's share in undistributed earnings of its subsidiaries and its interest in joint ventures because the Group controls the distribution and is not likely to cause the distribution in the foreseeable future.

Notes to the Consolidated Financial Statements

14b Deferred Tax Liabilities (Contd.)

14c Reconciliation of Deferred Tax Expense amount recognised in Profit or Loss and Other Comprehensive Income

	Recognised in Profit and Loss		Recognised in Other Comprehensive Income	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore	₹ crore	₹ crore
Deferred Tax Assets (Net) - (Refer Note 14 a.)				
Net (increase)/decrease in Deferred Tax Assets	(147.87)	(48.59)	(2.71)	(61.19)
Deferred Tax Liabilities (Net) - (Refer Note 14 b.)				
Net increase/(decrease) in Deferred Tax Liabilities	52.24	(170.19)	4.90	(27.70)
Deferred Tax Liabilities (Net) - Discontinued Operations (Refer Note 19 c)				
Net increase/(decrease) in Deferred Tax Liabilities	Nil	72.17	Nil	Nil
Deferred Tax Expense / (Credit) (Net)	**(95.63)**	**(146.61)**	**2.19**	**(88.89)**

15. Other Assets

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
(i) Capital Advances		
Unsecured, considered good	257.76	166.14
Doubtful	0.53	0.11
	258.29	**166.25**
Less: Allowance for Doubtful Advances	0.53	0.11
	257.76	**166.14**
(ii) Balances with Government Authorities		
Unsecured, considered good		
Advances	15.85	12.25
Amount Paid Under Protest	62.82	52.87
VAT/Sales Tax Receivable	15.51	16.90
	94.18	**82.02**
(iii) Others		
Unsecured, considered good		
Prepaid Expenses	37.46	30.61
Recoverable from Consumers	1,408.30	1,161.06
Others	52.12	19.41
Doubtful	Nil	1.07
	1,497.88	**1,212.15**
Less: Allowance for Doubtful Advances	Nil	1.07
	1,497.88	**1,211.08**
Total	**1,849.82**	**1,459.24**

Notes to the Consolidated Financial Statements

15. Other Assets (Contd.)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Current		
(i) Balances with Government Authorities		
Unsecured, considered good		
Advances	491.37	226.21
VAT/Sales Tax Receivable	0.28	8.16
	491.65	**234.37**
(ii) Other Loans and Advances		
Unsecured, considered good		
Prepaid Expenses	238.88	157.71
Advances to Vendors	602.10	411.60
Deferred Rent Expense	1.11	1.11
Unbilled Revenue (contract assets)	27.81	40.84
Power Banking Receivable	113.18	41.35
Other Advances	4.94	27.06
Doubtful	0.19	0.19
	988.21	**679.86**
Less: Allowance for Doubtful Advances	0.19	0.19
	988.02	**679.67**
Total	**1,479.67**	**914.04**

16. Inventories

Accounting Policy

Inventories are stated at the lower of cost and net realisable value. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on weighted average basis. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale. When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

Notes to the Consolidated Financial Statements

16. Inventories (Contd.)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Inventories		
(a) Raw Materials and Fuel		
Fuel - Stores	1,383.57	450.78
Fuel-in-Transit	521.43	380.78
Material related to Solar Plant EPC contracts	1,296.99	316.79
(b) Work-In-Progress	11.99	6.42
(c) Finished goods	287.81	94.15
(d) Stores and Spares (Refer Note 1 below)	483.44	447.12
(e) Loose Tools	1.66	1.60
(f) Others		
Property under Development	244.63	187.98
Total	**4,231.52**	**1,885.62**

Notes:

1 The Group has recognised ₹ 19.11 crore (March 31, 2021 - ₹ 5.72 crore) as an expense for the write down of unserviceable stores and spares and fuel inventory.

2 Refer Note 23 and Note 30 for Inventories pledged as security for liabilities.

17. Current Investments

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
I Investments carried at Amortised Cost		
Statutory Investments		
Government Securities (Unquoted) fully paid up	55.67	Nil
II Investments carried at Fair Value through Profit and Loss		
Unquoted		
Investment in Mutual Funds	354.85	499.54
Total	**410.52**	**499.54**
Note:		
1. Aggregate Carrying Value of Unquoted Investments	410.52	499.54

18a. Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalent comprise of cash at banks, cash/cheques 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. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise of cash at bank, cash/cheques on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Notes to the Consolidated Financial Statements

18a. Cash and Cash Equivalents (Contd.)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
(a) Balances with Banks:		
(i) In Current Accounts	1,254.84	1,015.45
(ii) In Deposit Accounts (with original maturity of less than three months)	1,702.09	2,543.84
(b) Cheques on Hand	23.30	45.16
(c) Cash on Hand	97.01	65.17
Cash and Cash Equivalents as per Balance Sheet	**3,077.24**	**3,669.62**
Bank Overdraft and Cash Credit attributable to Continuing Operations (Refer Note 30)	(248.22)	(99.66)
Cash and Cash Equivalents as per Statement of Cash Flows - Continuing Operation	**2,829.02**	**3,569.96**
Cash and Cash Equivalents as per Statement of Cash Flows	**2,829.02**	**3,569.96**

Reconciliation of Liabilities from Financing Activities

Particulars	As at April 1, 2021	Cash flows		Changes related to Discontinued Operations	Foreign Exchange	Others*	As at March 31, 2022
		Proceeds	Repayment				
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	34,734.52	11,473.88	(5,684.28)	Nil	111.94	(21.08)	40,614.98
Current Borrowings (excluding Bank Overdraft and Cash Credit from bank)	8,336.46	28,004.33	(29,636.92)	Nil	25.69	(2.76)	6,726.80
Lease Liabilities	3,537.31	Nil	(383.85)	Nil	20.11	431.55	3,605.12
Total	**46,608.29**	**39,478.21**	**(35,705.05)**	**Nil**	**157.74**	**407.71**	**50,946.90**

* includes interest on lease liabilities, remeasurement of lease liabilities and amortisation of processing charges on loans

Note:

During the year, the Group has issued shares of ₹ 308.65 crore to Minority Shareholders of subsidiaries which consist of shares issued for consideration other than Cash amounting to ₹ 297.32 Crore.

Particulars	As at April 1, 2020	Cash flows		Changes related to Discontinued Operations	Foreign Exchange Exchange	Others*	As at March 31, 2021
		Proceeds	Repayment				
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	36,531.57	5,602.19	(7,453.61)	57.83	(125.27)	121.81	34,734.52
Current Borrowings (excluding Bank Overdraft and Cash Credit from bank)	11,809.65	26,108.25	(29,557.80)	Nil	(50.92)	27.28	8,336.46
Lease Liabilities	3,560.22	Nil	(351.78)	Nil	6.04	322.83	3,537.31
Total	**51,901.44**	**31,710.44**	**(37,363.19)**	**57.83**	**(170.15)**	**471.92**	**46,608.29**

* includes interest on lease liabilities, remeasurement of lease liabilities and amortisation of processing charges on loans

18b. Other Balances with Banks- At Amortised Cost

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
(a) In Deposit Accounts (Refer Note below)	3,544.17	2,181.98
(b) In Earmarked Accounts-		
Unpaid Dividend Account	19.29	19.07
Total	**3,563.46**	**2201.05**

Note:

Balances with banks held as margin money deposits against guarantees.

Notes to the Consolidated Financial Statements

19a. Assets Classified as Held For Sale

Accounting Policy

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal Group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal Group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Additional disclosures are provided hereunder. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Land [Refer Note (i) below]	301.58	301.58
Building [Refer Note (ii) below]	0.48	8.50
Other Property, Plant and Equipments [Refer Note (iii) below]	20.04	20.21
Investments carried at FVTOCI [Refer Note (iv) below]	Nil	178.68
Investments in Associates and Joint Ventures [Refer Note (v) below]	2,701.90	2,480.12
Loan to and other receivables from Joint Venture [Refer Note v(b) below]	22.83	22.83
Transmission lines - Capital Work in Progress [Refer Note (vi) below]	Nil	9.31
Other Assets [Refer Note (vii) below]	Nil	26.23
Total	**3,046.83**	**3,047.46**

19b. Liabilities directly associated with Assets Classified as Held For Sale

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Liabilities related to Other Assets [Refer Note (i)(d) & (vii)]	113.56	139.78
Total	**113.56**	**139.78**

Notes:

(i) The following land has been classified as assets held for sale:

(a) Land at Tiruldih ₹ 1.43 crore (net of impairment loss of ₹ 34 crore) (March 31, 2021 - ₹ 1.43 crore).

(b) Land at Vadaval ₹ 3.21 crore (March 31, 2021 - ₹ 3.21 crore).

(c) Land at Naraj Marthapur ₹ 81.38 crore (net of impairment loss of ₹ 37 crore) (March 31, 2021 - ₹ 81.38 crore).

(d) Land at Dehrand ₹ 215.56 crore (March 31, 2021 - ₹ 215.56 crore). During the earlier year, the Group has received an advance of ₹113.56 crore against sale.

Notes to the Consolidated Financial Statements

19b. Liabilities directly associated with Assets Classified as Held For Sale (Contd.)

(ii) (a) Following building has been classified as assets held for sale:

Building at Panvel ₹ 0.48 crore (March 31, 2021 - ₹ 0.48 crore).

(b) Building at Peninsula of ₹ 8.02 crore has been reclassified from asset held for sale to Property, Plant and Equipment during the year.

(iii) (a) The following plant and equipment has been classified as assets held for sale:

Rithala power generation plant ₹ 20.04 crore (net of impairment loss of ₹ 143.96 crore) (March 31, 2021 - ₹ 20.04 crore).

(b) Helicopter having book value of ₹ 0.17 crore has been sold during the year (March 31, 2021 - ₹ 0.17 crore)

(iv) During the year ended March 31, 2022, the Group has reclassified its Investment in Tata Teleservices (Maharashtra) Limited ("TTML") to Non-Current Investment.

(v) (a) In the earlier years, the Group had signed definitive agreements for sale of PT Arutmin Indonesia and its associated infrastructure and trading companies and the sale consideration of USD 400.92 million is being expected to be received in a phased manner over next few years. Accordingly, the investments (including investment in PT Mitratama Perkasa) have been classified as assets held for sale at ₹ 1,938.38 crore as at March 31, 2022 (March 31, 2021 - ₹ 1,869.46 crore).

(b) In the earlier years, the Group decided to divest its investment in Itezhi Tezhi Power Corporation ('ITPC') of ₹ 632.99 crore (March 31, 2021 - ₹ 610.66 crore) and loan and other receivables from ITPC of ₹ 22.83 crore (March 31, 2021 - ₹ 22.83 crore). Accordingly, the said investment along with loan and other receivables has been classified as held for sale. No impairment loss has been recognised on reclassification as the Group expects that the fair value less costs to sell is higher than the carrying amount as at March 31, 2022.

(c) The Group holds investments in Adjaristsqali Netherlands B.V. (ABV) (a Joint Venture of the Group) operating 187 MW hydro power plant in Georgia.

During the year, the Group has decided to divest its investment in ABV and accordingly the said investment along with perpetual securities has been classified as held for sale.

During the year, the Group has reassessed the recoverability of its investment in ABV based on decline in the operational performance and accordingly has recognized an cumulative impairment provision of ₹ 372.13 crore (March 31, 2021- ₹ 221.86 crore) as an exceptional item in the consolidated financial statements. The net investment value in ABV including perpetual securities after impairment provision is ₹130.53 crore as on March 31, 2022 (March 31, 2021- ₹ 276.18 crore)

The Group has performed the recoverability assessment and determined the value in use based on estimated cash flow projections over the life of the assets included in CGU. Projected cash flows include cash flow projections approved by management covering 3 years and the cash flows beyond that has been projected based on the long term forecast.

The following key assumptions were used for performing the valuation:

- Tariff post PPA period of 15 years.
- A pre-tax discount rate of 5.94 % was applied;

(vi) Maharashtra Electricity Regulatory Commission ('MERC') had ordered termination of Vikhroli Transmission Lines project and accordingly, the Group had reclassified the said project as held for sale. During the year, the Group has received an amount of ₹ 8.44 crore against the said project.

(vii) The Group had decided to divest its investments in equity and preference shares of its subsidiary, TCL Ceramics Ltd. Accordingly, the said investment was classified as held for sale. Pursuant to the Share Purchase Agreement ('Agreement') dated 4th January, 2020, the Group has transferred its Equity and Preference share to the purchasers as a part of the conditions mentioned in the Agreement subject to final closing. On 24th March 2022, the Group has signed an amendment to original share purchase agreement and transferred all the beneficial ownership to the buyers and accordingly impact has been recognised in the consolidated financial statements.

Notes to the Consolidated Financial Statements

19c. Assets Classified as Held For Sale - Discontinued Operations

In the past, the Group had approved sale of its Strategic Engineering Division (SED) to Tata Advanced Systems Ltd. (TASL) [a wholly owned subsidiary of Tata Sons Pvt. Ltd.] as a going concern on slump sale basis, at an enterprise value of ₹ 2,230 crore (out of which ₹ 1,040 crore payable at the time of closing and ₹ 1,190 crore payable on achieving certain milestones). Accordingly, SED business segment is presented as discontinued operations. On 31st October,2020, the Group had completed the sale of its SED to TASL and had received upfront consideration of ₹ 597 crore (net of borrowings of ₹ 537.00 crore transferred to TASL) after certain adjustments as specified in the scheme.

Results of Strategic Engineering Division for the year are presented below

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Income		
Revenue from Operations	Nil	193.63
Other Income	Nil	23.52
Total Income	**Nil**	**217.15**
Expenditure		
Cost of Components Consumed	Nil	139.28
Employee Benefits Expense	Nil	52.66
Finance Costs	Nil	24.91
Other Expenses	Nil	60.15
Total Expenses	**Nil**	**277.00**
Profit/(Loss) before tax from Discontinued Operations	**Nil**	**(59.85)**
Impairment Loss on Remeasurement to Fair Value (Refer Note Below)	**(467.83)**	**(160.00)**
Tax Expenses/(Credit)		
Current Tax	Nil	(101.48)
Deferred Tax	Nil	(72.17)
Total Tax Expenses/(Credit)	**Nil**	**(173.65)**
Profit/(Loss) before tax from Discontinued Operations	**(467.83)**	**(46.20)**
Other Comprehensive Income/(Expense)	Nil	(0.34)
Tax on Other Comprehensive Income	Nil	Nil
Total Comprehensive Income/(Expense)	**(467.83)**	**(46.54)**

Note:

During the year ended March 31, 2022, the Group has reassessed the fair value of consideration receivable from TASL and has recognised an impairment loss of ₹ 467.83 crore (March 31, 2021- ₹ 160 Crore) in the consolidated financials statements. The fair value on consideration has been determined based on the expected value of the consideration using discounted present value technique. The fair value has been categorised under Level 3 inputs, the key assumption being expectation of achievement/ non-achievement of milestones as defined in the scheme of arrangement.

Net cash flows attributable to Strategic Engineering Division are as follows:

	From April 1, 2020 to October 31, 2020
	₹ crore
Net Cash Flow from/(used) in Operating Activities	286.62
Net Cash Flow from/(used) in Investing Activities	(32.30)
Net Cash Flow from/(used) in Financing Activities	(85.62)
Net Increase/(Decrease) in Cash and Cash Equivalents	**168.70**
Cash and Cash Equivalents (Opening Balance)	**7.60**
Cash and Cash Equivalents (Closing Balance)	**176.30**
Less: Transferred on sale of Strategic Engineering Division	(176.30)
Total of cash and cash equivalents (Net)	**Nil**

Notes to the Consolidated Financial Statements

20. Regulatory Deferral Account

Accounting Policy

The Group determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulatory Commission (Regulator) and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the regulatory deferral account of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations. The Group presents separate line items in the balance sheet for:

i. the total of all regulatory deferral account debit balances and related deferred tax balances; and

ii. the total of all regulatory deferral account credit balances and related deferred tax balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account and deferred tax recoverable payable.

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Regulatory Deferral Account - Liability - Current		
Regulatory Liabilities	634.63	98.93
Regulatory Deferral Account - Assets - Non-current		
Regulatory Assets	6,810.57	6,222.44
Net Regulatory Assets/(Liabilities)	**6,175.94**	**6,123.51**

Rate Regulated Activities

(i) As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein the regulators determine Tariff to be charged from consumers based on prevailing regulations in place.

The Group is governed by the tariff regulations and tariff orders issued by Regulatory Commissions in Maharashtra, Delhi and Odisha. These regulations determine tariff in a manner wherein the Group can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The Group determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in these Regulations.

(ii) Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities as on March 31, 2022, is as follows:

		For the year ended March 31, 2022	For the year ended March 31, 2021
		₹ crore	₹ crore
Opening Regulatory Assets (Net of Liabilities)	(A)	6,123.51	5,480.17
Regulatory Deferral Balances (net) during the year			
(i) Power Purchase Cost		17,603.08	10,132.93
(ii) Other expenses as per the terms of Tariff Regulations including Return On Equity		6,432.10	4,020.00
(iii) Billed during the year as per approved Tariff		(24,414.79)	(13,698.71)
(iv) Regulatory Assets/(Liabilities) on Deferred Tax Expense/(Income)		140.15	81.80
Net movement in Regulatory Deferral Balances recognised in statement of Profit and Loss (i + ii + iii + iv)		**(239.46)**	**536.02**
(v) Regulatory Income/(Expenses) recognised in OCI		265.28	93.92
Net movement in Regulatory Deferral Balances (i + ii + iii + iv + v)	(B)	**25.82**	**629.94**
Regulatory Assets/(Liabilities) on carrying cost recognised as revenue	(C)	18.00	3.00
Regulatory deferral asset in respect of opening assets deletion	(D)	8.64	Nil
Recovery from/(Payable to) Group's Generation Business	(E)	(0.03)	10.40
Closing Regulatory Asset (Net of Liabilities)	(A+B+C+D+E)	**6,175.94**	**6,123.51**

Notes to the Consolidated Financial Statements

21a. Share Capital

	As at March 31, 2022		As at March 31, 2021	
	Number	₹ crore	Number	₹ crore
Authorised				
Equity Shares of ₹ 1/- each				
At the beginning of the year	550,00,00,000	550.00	350,00,00,000	350.00
Add: Increase during the year	Nil	Nil	200,00,00,000	200.00
Add: Increase due to merger (Refer Note 22.6)	10015,00,00,000	10,015.00	Nil	Nil
Outstanding for the year		10,565.00		550.00
Cumulative Redeemable Preference Shares of ₹ 100/- each	2,29,00,000	229.00	2,29,00,000	229.00
		10,794.00		**779.00**
Issued				
Equity Shares [including 28,32,060 shares (March 31, 2021 - 28,32,060 shares) not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Ltd. cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay]	325,22,67,007	325.23	325,22,67,007	325.23
Subscribed and Paid-up				
Equity Shares fully Paid-up [excluding 28,32,060 shares (March 31, 2021 - 28,32,060 shares) not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Ltd. cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay]	319,53,39,547	319.54	319,53,39,547	319.54
Less: Calls in arrears [including ₹ 0.01 crore (March 31, 2021 - ₹ 0.01 crore) in respect of the erstwhile The Andhra Valley Power Supply Company Ltd. and the erstwhile The Tata Hydro-Electric Power Supply Company Ltd.]		0.04		0.04
		319.50		**319.50**
Add: Equity Shares forfeited - Amount paid	16,52,300	0.06	16,52,300	0.06
Total Subscribed and Paid-up Share Capital		**319.56**		**319.56**

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

	As at March 31, 2022		As at March 31, 2021	
	Number	₹ crore	Number	₹ crore
Equity Shares				
At the beginning of the year	319,69,91,847	319.56	270,64,25,810	270.50
Issued during the year	Nil	Nil	49,05,66,037	49.06
Outstanding at the end of the year	319,69,91,847	**319.56**	319,69,91,847	**319.56**

Notes to the Consolidated Financial Statements

21a. Share Capital (Contd.)

(ii) Terms/rights attached to equity shares

The Parent Company has issued only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Parent Company

	As at March 31, 2022		As at March 31, 2021	
	Number	% Holding	Number	% Holding
Equity Shares of ₹ 1/- each fully paid				
Tata Sons Pvt. Ltd.	144,45,13,021	45.21	144,45,13,021	45.21
Life Insurance Corporation of India	21,57,53,479	6.75	16,41,25,329	5.14

*Shareholding has been reported based on common permanent Account Number

(iv) Shareholding of Promoters

		Shares held by promoters at the end of the year				
		March 31, 2022		March 31, 2021		% Change during the year
Sl No	Promoter name	No. of shares	% of total shares	No. of shares	% of total shares	
1	Tata Sons Pvt. Ltd.	144,45,13,021	45.21	144,45,13,021	45.21	Nil

		Shares held by promoters at the end of the year				
		March 31, 2021		March 31, 2020		% Change during the year
Sl No	Promoter name	No. of shares	% of total shares	No. of shares	% of total shares	
1	Tata Sons Pvt. Ltd.	144,45,13,021	45.21	95,39,46,984	35.27	9.94

21b. Unsecured Perpetual Securities

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
11.40% Unsecured Perpetual Securities	1,500.00	1,500.00
Less: Repayment during the year	(1,500.00)	Nil
Total	**Nil**	**1,500.00**

In an earlier year, the Holding Company had raised 1,500 crore through issue of Unsecured Perpetual Securities (the "Securities"). These Securities were perpetual in nature with no maturity or redemption and were callable only at the option of the Holding Company. As these Securities were perpetual in nature and ranked senior only to the Share Capital of the Holding Company and the Holding Company did not have any redemption obligation, these were considered to be in the nature of equity instruments. During the year, pursuant to debenture trust deed dated 23rd June, 2011, the Holding Company has exercised the call option to redeem the Securities on 2nd June, 2021 along with interest.

Notes to the Consolidated Financial Statements

22. Other Equity

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
General Reserve		
Opening Balance	226.61	4,086.53
Add/(Less): Capital re-organisation (Refer Note 6 below)	Nil	(3,859.92)
Restated Opening Balance	226.61	226.61
Closing Balance	**226.61**	**226.61**
Securities Premium		
Opening Balance	3,107.54	5,647.80
Add/(Less): Capital re-organisation (Refer Note 6 below)	Nil	(5,091.20)
Restated Opening Balance	3,107.54	556.60
Add: Increase on issue of shares during the year (Refer Note 4 below)	Nil	2,550.94
Closing Balance	**3,107.54**	**3,107.54**
Capital Reserves	232.09	232.09
Statutory Reserves	660.08	660.08
Debenture Redemption Reserve		
Opening Balance	625.06	638.20
Add/(Less): Amount transferred from/(to) Retained Earnings (Net)	(100.00)	(13.14)
Closing Balance	**525.06**	**625.06**
Capital Redemption Reserve		
Opening Balance	515.76	515.76
Closing Balance	**515.76**	**515.76**
Special Reserve fund		
Opening Balance	126.28	124.07
Add/(Less): Amount transferred from Retained Earnings	(126.28)	2.21
Closing Balance	**Nil**	**126.28**
Retained Earnings (Refer Note 1 below)		
Opening Balance	13,889.59	4,387.49
Add/(Less): Capital re-organisation (Refer Note 6 below)	Nil	8,951.12
Restated Opening Balance	13,889.59	13,338.61
Add: Profit/(Loss) for the year	1,741.46	1,127.38
Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	Nil	3.14
Transfer from Debenture Redemption Reserve (Net)	100.00	13.14
Less: Distribution on Unsecured Perpetual Securities	100.26	171.23
Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	11.26	Nil
Less: Other Appropriations:		
Payment of Dividend (Refer Note 2 below)	495.28	419.24
Transfer to / (from) Special Reserve Fund	(126.28)	2.21
	1,360.94	**550.98**
Closing Balance	**15,250.53**	**13,889.59**

Notes to the Consolidated Financial Statements

22. Other Equity (Contd.)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Equity Instrument through Other Comprehensive Income		
Opening Balance	223.23	(7.54)
Add/(Less): Change in Fair Value of Equity Instruments through Other Comprehensive Income	307.11	230.77
Closing Balance	**530.34**	**223.23**
Foreign Currency Translation Reserve		
Opening Balance	1,078.23	1,414.63
Add/(Less): Addition during the year	79.59	(336.40)
Closing Balance	**1,157.82**	**1,078.23**
Effective Portion of Cash Flow Hedge		
Opening Balance	(181.77)	96.41
Add/(Less): Effective Portion of Cash Flow Hedge for the year	97.94	(278.18)
Closing Balance	**(83.83)**	**(181.77)**
Total	**22,122.00**	**20,502.70**

Notes:

1. Includes gain on fair valuation of land which is not available for distribution ₹ 227.03 crore.
2. The shareholders of the holding company in their meeting held on July 5, 2021 approved final dividend of ₹ 1.55 per share aggregating ₹ 495.28 crore for the financial year 2020-21. The said dividend was paid to the holders of fully paid equity shares on July 7, 2021.
3. In respect of the year ended March 31, 2022, the directors have proposed a dividend of ₹ 1.75 per share to be paid on fully paid shares. This equity dividend is subject to approval at the annual general meeting and has not been included as a liability in the consolidated financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 559.68 crore.
4. During the previous year, the shareholders in the Annual General Meeting dated July 30, 2020 had approved the issuance of 49,05,66,037 equity shares of the face value of ₹ 1 each at ₹ 53 per equity share for an amount aggregating to ₹ 2,600 crore to Tata Sons Pvt. Ltd. on preferential basis.
5. Represents gain/(loss) on sale of certain investments carried at fair value through other comprehensive income transferred to Retained Earnings.
6. The Hon'ble National Company Law Tribunal (NCLT) has approved the composite scheme of arrangement for merger of Coastal Gujarat Power Limited (CGPL) along with the capital re-organization and the scheme of arrangement for merger of Af-Taab Investment Company Limited (Af-taab) with the Holding Company effective April 1, 2020. There is no effect of merger in the consolidated financial statements. However, the following adjustments have been made pursuant to the scheme of capital re-organisation as on April 1, 2020 i.e the appointed date of the scheme:

   a) The debit balance in the retained earnings of the Holding Company of ₹ 5,091.20 crore has been adjusted with the securities premium.

   b) Post-merger credit balance in General Reserve of the Holding Company of ₹ 3,859.92 crore has been transferred to Retained earnings.

   Pursuant to the scheme of merger, the authorised equity share capital of the Holding Company has been increased by the authorised equity share capital of the erstwhile CGPL and Af-taab.

Notes to the Consolidated Financial Statements

22. Other Equity (Contd.)

Nature and purpose of reserves

General Reserve

General Reserve is used to transfer profits from retained earnings for appropriation purposes. The amount is to be utilised in accordance with the provision of the Companies Act, 2013.

Securities Premium

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

Debenture Redemption Reserve

The Group was required to create a Debenture Redemption Reserve out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated 16th August, 2019, the Group is not creating additional debenture redemption reserve (DRR) from the effective date of amendment. DRR created till previous years will be transferred to retained earnings on redemption of debentures.

Capital Redemption Reserve

Capital Redemption Reserve represents amounts set aside on redemption of preference shares.

Capital Reserve

Capital Reserve consists of forfeiture of the amount received from Tata Sons Pvt. Ltd. on preferential allotment of convertible warrants in the Group, on the lapse of the period to exercise right to convert the said warrants and on forfeiture of amounts paid on Debentures.

Special Reserve Fund

Special Reserve Fund represents the amount transferred from the annual profits of Af-taab pursuant to section 45 of the Reserve Bank of India Act, 1934. Pursuant to scheme of arrangement for merger as mentioned in note 6 above, erstwhile Af-taab has ceased to exist and hence the reserves is no longer required and accordingly has been transferred to retained earning.

Statutory Reserve

Statutory Reserve consists of Special Appropriation towards Project Cost, Development Reserve and Investment Allowance Reserve.

Special appropriation to project cost - Due to high capital investment required for the expansion in the electricity industry, the Maharashtra State Government permits part of the capital cost of approved projects to be collected through the electricity tariff and held as a special appropriation.

Development Reserve / Investment Allowance Reserve - Until 1978, the Companies made appropriations to a Development Reserve and an Investment Allowance Reserve as required by the Income Tax Act, 1956. New appropriations to these reserves are no longer required due to changes in Indian law.

Retained Earnings

Retained Earnings are the profits of the Group earned till date net of appropriations.

Equity Instruments through Other Comprehensive Income

This reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those equity instruments are disposed off.

Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Effective Portion of Cash Flow Hedge

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Notes to the Consolidated Financial Statements

23. Non-current Borrowings - At Amortised Cost

	As at March 31, 2022		As at March 31, 2021	
	Non-current (₹ crore)	Current Maturities* (₹ crore)	Non-current (₹ crore)	Current Maturities* (₹ crore)
(i) Unsecured				
Debentures				
Redeemable Non-Convertible Debentures	9,639.16	2,454.86	11,509.47	1,938.80
Term Loans				
From Banks	3,730.06	421.71	1,769.55	673.67
Deferred Payment Liabilities-Sales Tax Deferral	Nil	Nil	Nil	2.83
	13,369.22	**2,876.57**	**13,279.02**	**2,615.30**
(ii) Secured				
Debentures				
Redeemable Non-Convertible Debentures	1,853.40	559.75	2,411.82	247.26
Term Loans				
From Banks	15,570.52	4,325.65	12,961.04	1,785.82
From Others	1,936.56	123.31	1,392.97	41.29
	19,360.48	**5,008.71**	**16,765.83**	**2,074.37**
Total	**32,729.70**	**7,885.28**	**30,044.85**	**4,689.67**

* Amount disclosed under Current Borrowings (Refer Note 30).

Security

Redeemable Non-convertible Debentures issued by the Group are secured by charge on movable and immovable assets of the respective entities.

Term Loans availed by various entities of the Group from various Banks and Financial Institutions are secured by way of charge on all present and future moveable and immovable assets, stores and spares, raw materials, work-in-progress, finished goods, book debts, project receivables, intangibles, uncalled capital receivables, rights under project documents of the respective entities, project cash flows, regulatory deferral accounts, accounts including Debt Service Reserve Accounts and bank accounts, bank guarantees and pledge of shares of subsidiaries held by their respective holding companies.

Terms of Repayment

(₹ crore)

Particulars	Amount Outstanding as at March 31, 2022	Financial Year						
		FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-32	FY 32-33 and onwards
(i) Unsecured - At Amortised Cost								
Debentures								
Redeemable Non-Convertible Debentures	12,124.86	2,454.86	5,050.00	1,120.00	500.00	Nil	1,500.00	1,500.00
Term Loans								
From Banks	4,150.93	421.71	3,194.93	535.00	Nil	Nil	Nil	Nil
(ii) Secured - At Amortised Cost								
Debentures								
Redeemable Non-Convertible Debentures	2,418.94	559.75	467.05	319.45	361.75	358.75	352.19	Nil

Notes to the Consolidated Financial Statements

23. Non-current Borrowings - At Amortised Cost (Contd.)

Particulars	Amount Outstanding as at March 31, 2022	Financial Year						
		FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-32	FY 32-33 and onwards
Term Loans								
From Banks	19,930.66	4,325.65	2,763.33	2,237.20	1,885.66	1,343.02	4,477.50	2,898.30
From Others	2,064.27	123.31	159.52	191.37	225.53	252.82	974.70	137.02
	40,689.66	**7,885.28**	**11,634.83**	**4,403.02**	**2,972.94**	**1,954.59**	**7,304.39**	**4,535.32**
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS	72.78							
Less: Unamortised portion of fair value of Corporate Guarantee.	1.90							
Total	**40,614.98**							

Range of interest rates for:

1. Debentures - 5.70% to 10.75%
2. (a) Term loan of foreign Companies - 1.26 % to 2.24 %
   (b) Term loan of Indian Companies - 3.55 % to 8.97%
3. Term loan from others - 7.25 % to 8.72 %

24. Lease Liabilities

Accounting Policy

At inception of contract, the Group assesses whether the contract is, or contains, a lease. 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. At inception or on reassessment of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a Lessee

i) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

ii) Short term leases and leases of low value of assets

The Group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Leasing arrangement as Lessee

The Group has lease contracts for various items of plant, machinery, land, vehicles and other equipment used in its operations. Leases of Leasehold land including sub-surface rights generally have lease terms between 2 years and 95 years, while plant and machinery, motor vehicles and other equipment generally have lease terms 3 years and 40 years. Generally, the Group is restricted from assigning and subleasing the leased assets.

Notes to the Consolidated Financial Statements

24. Lease Liabilities (Contd.)

Amount recognised in the Statement of Profit and Loss	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Depreciation of Right-of-use assets	184.67	188.62
Interest on lease liabilities	319.78	315.90
Expenses related to short term leases	36.30	31.48
Expenses related to leases of low value assets, excluding short term leases of low value assets	0.81	0.33

Refer Note (5) for additions to Right-of-Use Assets and the carrying amount of Right-of-Use Assets. Further, refer Note 43.4.3 for maturity analysis of lease liabilities.

Amount as per the Statement of Cash Flows	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ crore	₹ crore
Total cash outflow of leases	383.85	351.78

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-Current		
(i) Lease Liabilities	3,207.79	3,142.48
Total	**3,207.79**	**3,142.48**
Current		
(i) Lease Liabilities	397.33	394.83
Total	**397.33**	**394.83**

25. Trade Payables

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
(i) Outstanding dues of micro enterprises and small enterprises	Nil	Nil
(ii) Outstanding dues of trade payables other than micro enterprises and small enterprises	Nil	1.67
Total	**Nil**	**1.67**
Current		
(i) Outstanding dues of micro enterprises and small enterprises	332.14	141.01
(ii) Outstanding dues of trade payables other than micro enterprises and small enterprises	10,127.46	7,005.40
Total	**10,459.60**	**7,146.41**

Notes to the Consolidated Financial Statements

25. Trade Payables (Contd.)

Trade Payables Ageing schedule as at March 31, 2022

₹ crore

Particulars	Unbilled Dues	Outstanding for following periods from due date of payment #					Total
		Not Due	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
Current							
(i) Undisputed Trade Payables							
a) MSME	1.37	142.00	174.94	10.73	2.86	0.02	**331.92**
b) Others	1,294.13	5,578.44	2,761.38	335.71	25.26	41.40	**10,036.32**
(ii) Disputed Trade Payables							
a) MSME	Nil	Nil	Nil	0.10	0.12	Nil	**0.22**
b) Others	Nil	0.05	14.99	0.36	59.91	15.83	**91.14**
Total	**1,295.50**	**5,720.49**	**2,951.31**	**346.90**	**88.15**	**57.25**	**10,459.60**

Trade Payables Ageing schedule as at March 31, 2021

₹ crore

Particulars	Unbilled Dues*	Outstanding for following periods from due date of payment #					Total
		Not Due	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
Non - Current							
(i) Undisputed Trade Payables							
a) MSME	Nil	Nil	Nil	Nil	Nil	Nil	**Nil**
b) Others	Nil	Nil	Nil	1.67	Nil	Nil	**1.67**
Total	**Nil**	**Nil**	**Nil**	**1.67**	**Nil**	**Nil**	**1.67**
Current							
(ii) Undisputed Trade Payables							
a) MSME	Nil	84.14	51.58	4.84	0.20	0.01	**140.77**
b) Others	1,020.11	3,912.46	1,773.70	69.47	67.35	70.82	**6,913.91**
(iii) Disputed Trade Payables							
a) MSME	Nil	Nil	0.11	0.13	Nil	Nil	**0.24**
b) Others	Nil	Nil	11.02	59.76	7.87	12.84	**91.49**
Total	**1,020.11**	**3,996.60**	**1,836.41**	**134.20**	**75.42**	**83.67**	**7,146.41**

* Includes provision for expenses which is certain and not related to any litigation.

\# Where due date of payment is not available date of transaction has been considered.

26. Other Financial Liabilities - At Amortised Cost, (Unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
(a) Security Deposits from Customers	850.82	734.44
(b) Payables for Capital Supplies and Services	11.62	348.40
(c) Payable to Customer	294.12	288.16
Total	**1,156.56**	**1,371.00**
Current		
(a) Interest accrued but not due on Borrowings from Others	656.13	688.86
(b) Interest accrued but not due on Borrowings from Joint Ventures	160.12	150.45
(c) Investor Education and Protection Fund shall be credited by the following amounts namely (Refer Note 1 below):		
Unpaid Dividend	23.45	23.23
Unpaid Matured Debentures	0.09	0.09

Notes to the Consolidated Financial Statements

26. Other Financial Liabilities - At Amortised Cost, (Unless otherwise stated) (Contd.)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
(d) Other Payables		
Payables for Capital Supplies and Services	1,854.37	1,050.31
Advance Received for Sale of Investments [Refer Note 19b (v)(a)]	1,843.67	1,645.60
Contingent Consideration Payable (Fair Value through Profit and Loss)	16.93	39.65
Derivative Contracts (Net)- (at Fair Value through Profit and Loss)	40.79	192.51
Security Deposits from Electricity Consumers (including interest accrued but not due)	3,098.27	2,188.68
Security Deposits from Customers	46.09	38.27
Tender Deposits from Vendors	42.74	43.13
Supplier's Credit (Refer Note 2 below)	330.53	652.94
Payable to Consumers	220.48	310.53
Factoring Liability (Refer Note 2 of Note 9)	582.67	Nil
Other Financial Liabilities Pending Reconciliation [Refer Note - 48(6)]	117.62	117.62
Other Financial Liabilities (Refer Note 3 below)	598.01	505.83
	9,631.96	**7,647.70**

Notes

1. Includes amounts outstanding aggregating ₹ 0.21 crore (March 31, 2021 - ₹ 1.69 crore) for more than seven years pending disputes and legal cases.
2. The Group has entered into a Suppliers' Credit Program ("Facility") with a third party whereby the third party shall pay the said coal suppliers on behalf of the Group and the Group shall pay the third party on the due date along with interest. The Group has utilised USD 43.99 million of this facility as at 31st March, 2022. As the Facility provided by the third party is within the credit period provided by the coal suppliers, the outstanding liability has been disclosed under other financial liabilities.
3. Includes Contract liability aggregating ₹ 48.74 crore.

27. Tax Liabilities

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non Current		
Income-Tax Payable (Net)	3.03	3.03
Total	**3.03**	**3.03**
Current		
Income-Tax Payable (Net)	147.00	198.38
Total	**147.00**	**198.38**

28. Provisions

Accounting Policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

Notes to the Consolidated Financial Statements

28. Provisions (Contd.)

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when: (i) a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

Defined contribution plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefits plans

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

Past service costs are recognised in consolidated Statement of Profit and Loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Group recognises related restructuring costs

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

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

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Current and other non-current employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of current employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other non-current employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Notes to the Consolidated Financial Statements

28. Provisions (Contd.)

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
Provision for Employee Benefits		
Compensated Absences	375.21	286.47
Gratuity (Net) [Refer Note 28 (2.3)]	298.11	173.66
Post-Employment Medical Benefits [Refer Note 28 (2.3)]	74.96	61.08
Other Defined Benefit Plans [Refer Note 28 (2.3)]	377.61	74.31
Other Employee Benefits	42.29	20.83
	1,168.18	**616.35**
Other Provisions		
Provision for Warranties	50.00	50.92
	50.00	**50.92**
Total	**1,218.18**	**667.27**

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Current		
Provision for Employee Benefits		
Compensated Absences	32.49	29.20
Gratuity (Net) [Refer Note 28 (2.3)]	34.07	17.10
Post-Employment Medical Benefits [Refer Note 28 (2.3)]	30.73	3.16
Other Defined Benefit Plans [Refer Note 28 (2.3)]	42.15	21.94
Other Employee Benefits	4.35	4.11
	143.79	**75.51**
Other Provisions		
Provision for Warranties	9.32	10.94
Provision for Losses/Onerous Contracts/Contingencies	191.71	74.86
Provision for Rectification Work	Nil	2.00
	201.03	**87.80**
Total	**344.82**	**163.31**

Movement of Other Provisions

	Provision for Warranties	Provision for Losses/ Onerous Contracts	Provision for Rectification Work	Total
	₹ crore	₹ crore	₹ crore	₹ crore
Balance as at 1st April, 2020	**46.08**	**3.64**	**4.50**	**54.22**
Additional provisions recognised	26.49	71.22	Nil	97.71
Reductions arising from payments	(10.71)	Nil	(2.50)	(13.21)
Balance as at March 31, 2021	**61.86**	**74.86**	**2.00**	**138.72**

Notes to the Consolidated Financial Statements

28. Provisions (Contd.)

	Provision for Warranties	Provision for Losses/ Onerous Contracts	Provision for Rectification Work	Total
	₹ crore	₹ crore	₹ crore	₹ crore
Balance as at April 1, 2021	**61.86**	**74.86**	**2.00**	**138.72**
Additional provisions recognised	11.10	117.07	Nil	128.17
Reductions arising from payments	(13.64)	(0.22)	(2.00)	(15.87)
Balance as at March 31, 2022	**59.32**	**191.71**	**Nil**	**251.02**

Notes:

1. The provision for warranty claims represents estimated warranty liability for the products sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.
2. The provision for losses includes provision for estimated losses on onerous contracts and provision for contingency on regulatory assets recognised.
3. The provision for rectification work relates to the estimated cost of work agreed to be carried out for the rectification of goods supplied to the customers.

Employee Benefit Plans

1. Defined Contribution plan

The Group makes Provident Fund and Superannuation Fund contributions to defined contribution plans for eligible employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs. The provident fund contributions as specified under the law are paid to the Government approved provident fund trust or statutory provident fund authorities. The Group has no obligation, other than the contribution payable to the respective fund. The Group recognises such contribution payable to the respective fund scheme as an expense, when an employee renders the related service.

The Group has recognised ₹ 72.50 crore (March 31, 2021 - ₹ 69.31 crore) for provident and pension fund contributions and ₹ 8.49 crore (March 31, 2021 - ₹ 9.25 crore) for superannuation contributions in the in consolidated Statement of Profit and Loss. The said amount is excluding of amounts recognised by the Strategic Engineering Division (SED) (Discontinued operations). The contributions payable to these plans by the Group are at rates specified in the rules of the plans.

2. Defined benefit plans

2.1 The Group operates the following unfunded/funded defined benefit plans:

Funded:

Provident Fund

The Parent Company makes Provident Fund contributions to defined benefit plans for eligible employees. Under the scheme, the Parent Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Parent Company. The Parent Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year it is incurred. Having regard to the assets of the fund and the return on the investments, the Group expects shortfall of ₹ Nil (31st March, 2021 ₹ 6.50 crore) which has been provided as an expenditure during the year.

The actuary has provided a valuation of provident fund liability based on the assumptions listed and determined the net short fall of ₹ Nil as at March 31, 2022 (March 31, 2021 - ₹ 6.50 crore) which has been recognised as an expense during the year.

Pension Fund

The Odisha Distribution Companies acquired by the Group during the year have a defined benefit pension plan, the pension plan is primarily governed by the Odisha Civil Services (Pension) Rules, 1992. The level of benefits, eligibility depends on the date of joining, member's length of service and salary at the retirement date. The pension plan is funded plan. The fund is in the form of a trust and is governed by Trustees appointed by the respective subsidiaries and regulations framed in this regard. The Trustees are responsible for the administration of the plan assets and for defining the investment strategy in accordance with the regulations.

Notes to the Consolidated Financial Statements

28. Provisions (Contd.)

The significant assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2022	As at March 31, 2021
Interest rate	8.10% p.a.	8.50% p.a.
Discount rate	6.80% p.a.	6.60% p.a.
Contribution during the year (₹ crore)	273.43	170.29
Short fall recognised as an expenditure for the year (₹ crore)	Nil	6.50

The movements in the net defined benefit obligations are as follows:

Funded Plan:	Present value of obligation	Fair value of plan assets	Net amount
	₹ crore	₹ crore	₹ crore
Balance as at 1st April, 2020	**807.76**	**750.52**	**57.24**
Liability (includes amount recoverable from consumers for the pre-acquisition period - Refer Note 34)	4,235.09	524.52	3,710.57
Current service cost	47.40	Nil	47.40
Interest Cost/(Income)	189.92	67.03	122.89
Amount recognised in Statement of Profit and Loss	**237.32**	**67.03**	**170.29**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	76.02	(76.02)
Actuarial (gains)/losses arising from changes in financial assumptions	38.05	Nil	38.05
Actuarial (gains)/losses arising from experience	110.02	Nil	110.02
Amount recognised in Other Comprehensive Income	**148.07**	**76.02**	**72.05**
Employer contribution	Nil	222.32	(222.32)
Employee contribution	44.14	44.14	Nil
Benefits paid	(350.00)	(343.92)	(6.08)
Acquisitions credit/(cost)	22.80	22.80	Nil
Less: Amount recoverable from consumers for pre-acquisition period (Refer note 34)	(4,292.06)	(526.86)	(3,765.20)
Balance as at March 31, 2021	**853.12**	**836.57**	**16.55**
Balance as at April 1, 2021	**853.12**	**836.57**	**16.55**
Liability (includes amount recoverable from consumers for the pre-acquisition period - Refer Note 34)	4,292.06	526.86	3,765.20
Current service cost	76.97	Nil	76.97
Past service cost	12.49	Nil	12.49
Interest Cost/(Income)	254.72	70.75	183.97
Amount recognised in Statement of Profit and Loss	**344.18**	**70.75**	**273.43**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	(18.78)	18.78
Actuarial (gains)/losses arising from changes in demographic assumptions	18.88	Nil	18.88
Actuarial (gains)/losses arising from changes in financial assumptions	(25.53)	Nil	(25.53)
Actuarial (gains)/losses arising from experience *	509.55	Nil	509.55
Amount recognised in Other Comprehensive Income	**502.90**	**(18.78)**	**521.68**
Employer contribution	Nil	157.88	(157.88)
Employee contribution	42.43	42.43	Nil
Benefits paid	(323.77)	(213.63)	(110.14)
Acquisitions credit/(cost)	16.89	16.89	Nil
Less: Amount recoverable from consumers for pre-acquisition period (Refer note 34)	(4,549.23)	(534.33)	(4,014.90)
Others	Nil	(0.65)	0.65
Balance as at March 31, 2022	**1,178.58**	**883.99**	**294.59**

* Includes ₹ 339.26 crores pertaining to pre-acquisition liabilities not transferred to the Group

Notes to the Consolidated Financial Statements

28. Provisions (Contd.)

Unfunded:

Post Employment Medical Benefits

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

Pension (including Director pension)

The Group operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lumpsum payment on retirement. Executive Director, on retirement, is entitled to pension payable for life including HRA benefit. The level of benefit is approved by the Board of Directors of the Group from time to time.

Ex-Gratia Death Benefit

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

Retirement Gift

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

Funded/Unfunded:

Gratuity

The Group has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. The gratuity plan of the Odisha Distribution Companies acquired by the Group during the year is governed by the Odisha Civil Services (Pension) Rules, 1992 and the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. The gratuity plan is a combination of funded plan and unfunded plan for various companies in the Group. In case of funded plan, the fund has the form of a trust and is governed by Trustees appointed by the Group. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the trust regulations.

2.2 The principal assumptions used for the purposes of the actuarial valuations for funded and unfunded plan were as follows:

Valuation as at	As at March 31, 2022	As at March 31, 2021
Valuation as at		
Discount Rate	6.8% to 7.2%	6.6% to 6.97% p.a
Salary Growth Rate	5% to 8% p.a.	5% to 8% p.a.
Turnover Rate	0.5% to 8% p.a.	0.5% to 8% p.a.
Pension Increase Rate	4% to 5% p.a.	4% to 5% p.a.
Annual Increase in Healthcare Cost	8% p.a.	8% p.a.
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) Ult & 100% of Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2006-08) (modified) Ult & 100% of Indian Assured Lives Mortality (2012-2014)

Notes to the Consolidated Financial Statements

28. Provisions (Contd.)

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

(a) Gratuity Fund Plan:	Present value of obligation	Fair value of plan assets	Net amount
	₹ crore	₹ crore	₹ crore
Balance as at 1st April, 2020*	**352.91**	**(358.73)**	**(5.82)**
Liability (includes amount recoverable from consumers for the pre-acquisition period - Refer Note 34)	309.06	(94.70)	214.36
Current service cost	37.31	Nil	37.31
Past service cost	Nil	Nil	Nil
Interest Cost/(Income)	33.48	(26.22)	7.26
Less: Amount recognised in Statement of Profit and Loss - Discontinued Operations	(0.89)	Nil	(0.89)
Amount recognised in Statement of Profit and Loss - Continuing Operations	**69.90**	**(26.22)**	**43.68**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	0.80	(16.99)	(16.19)
Actuarial (gains)/losses arising from changes in demographic assumptions	8.03	Nil	8.03
Actuarial (gains)/losses arising from changes in financial assumptions	(6.23)	Nil	(6.23)
Actuarial (gains)/losses arising from experience	17.21	Nil	17.21
Less: Amount recognised in Other Comprehensive Income - Discontinued Operations	(0.34)	Nil	(0.34)
Amount recognised in Other Comprehensive Income	**19.47**	**(16.99)**	**2.48**
Employer contribution	Nil	(47.96)	(47.96)
Benefits paid	(90.03)	57.51	(32.52)
Acquisitions credit/(cost)	(22.85)	Nil	(22.85)
Add: Amounts recognised in current year - Discontinued Operations	0.89	Nil	0.89
Less: Amount recoverable from consumers for pre-acquisition period (Refer Note 34)	(194.76)	89.69	(105.07)
Balance as at March 31, 2021 *	**444.59**	**(397.40)**	**47.19**
Balance as at April 1, 2021 *	**444.59**	**(397.40)**	**47.19**
Liability (includes amount recoverable from consumers for the pre-acquisition period - Refer Note 34)	194.76	(89.69)	105.07
Current service cost	42.02	Nil	42.02
Past service cost	Nil	Nil	Nil
Interest Cost/(Income)	43.97	(32.66)	11.32
Less: Amount recognised in Statement of Profit and Loss - Discontinued Operations	Nil	Nil	Nil
Amount recognised in Statement of Profit and Loss - Continuing Operations	**85.99**	**(32.66)**	**53.33**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	(8.68)	(8.68)
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil	Nil	Nil
Actuarial (gains)/losses arising from changes in financial assumptions	(10.47)	Nil	(10.47)
Actuarial (gains)/losses arising from experience	113.44	Nil	113.44
Less: Amount recognised in Other Comprehensive Income - Discontinued Operations	Nil	Nil	Nil
Amount recognised in Other Comprehensive Income	**102.97**	**(8.68)**	**94.29**
Employer contribution	Nil	(64.42)	(64.42)
Benefits paid	(117.22)	77.93	(39.29)
Acquisitions credit/(cost)	(3.65)	Nil	(3.65)
Less: Amount recoverable from consumers for pre-acquisition period (Refer note 34)	(146.28)	88.71	(57.57)
Others	0.26	0.16	0.42
Balance as at March 31, 2022 *	**561.42**	**(426.05)**	**135.37**

* Net assets is classified as "Other Current Assets"

Notes to the Consolidated Financial Statements

28. Provisions (Contd.)

(b) Unfunded Plan - Gratuity and Other Defined Benefit Plans:	Gratuity	Other Defined Benefit Plans
	Amount ₹ crore	Amount ₹ crore
Balance as at 1st April, 2020	**30.15**	**131.49**
Liability (includes amount recoverable from consumers for the pre-acquisition period - Refer Note 34)	Nil	157.38
Current service cost	2.99	9.02
Past service cost	0.06	5.68
Past service cost - Plan amendments	Nil	Nil
Interest Cost/(Income)	1.88	8.09
Less: Amount recognised in Statement of Profit and Loss - Discontinued Operations	Nil	Nil
Amount recognised in Statement of Profit and Loss - Continuing Operations	**4.93**	**22.79**
Remeasurement (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	0.04	(0.71)
Actuarial (gains)/losses arising from changes in financial assumptions	(0.27)	1.55
Actuarial (gains)/losses arising from experience	8.58	(3.40)
Less: Amount recognised in other comprehensive income - Discontinued operations	0.61	(0.03)
Amount recognised in Other Comprehensive Income	**8.96**	**(2.59)**
Benefits paid	(3.44)	(10.50)
Acquisitions credit/(cost)	11.51	(2.44)
Add: Amounts recognised in current year - Discontinued Operations	Nil	0.10
Less: Amount recoverable from consumers for pre-acquisition period (Refer note 34)	Nil	(152.29)
Balance as at March 31, 2021	**52.11**	**143.94**
Balance as at April 1, 2021	**52.11**	**143.94**
Liability (includes amount recoverable from consumers for the pre-acquisition period - Refer Note 34)	Nil	152.29
Current service cost	5.02	10.34
Past service cost	3.10	33.87
Past service cost - Plan amendments	Nil	Nil
Interest Cost/(Income)	3.37	25.54
Less: Amount recognised in Statement of Profit and Loss - Discontinued Operations	Nil	Nil
Amount recognised in Statement of Profit and Loss - Continuing Operations	**11.49**	**69.75**
Remeasurement (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.05)	7.79
Actuarial (gains)/losses arising from changes in financial assumptions	(2.02)	(7.19)
Actuarial (gains)/losses arising from experience	0.72	(19.11)
Less: Amount recognised in other comprehensive income - Discontinued operations	-	Nil
Amount recognised in Other Comprehensive Income	**(1.35)**	**(18.51)**
Benefits paid	(1.61)	(19.54)
Acquisitions credit/(cost)	11.92	Nil
Add: Amounts recognised in current year - Discontinued Operations	Nil	0.90
Less: Amount recoverable from consumers for pre-acquisition period (Refer note 34)	Nil	(97.97)
Balance as at March 31, 2022	**72.56**	**230.86**

Reconciliation with amount presented in the Balance Sheet

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Gratuity provision - funded	135.37	47.19
Gratuity provision - unfunded	72.56	52.11
	207.93	**99.30**
Non current provision for Gratuity (net)	298.11	173.66
Add : Current provision for Gratuity (net)	34.07	17.10
Less: Gratuity Assets classified as other assets	124.25	91.46
Gratuity provision (net)	**207.94**	**99.30**

Notes to the Consolidated Financial Statements

28. Provisions (Contd.)

Provision for Other defined benefit obligation

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Closing provision as per above note 2.1 and 2.3(b)	525.45	160.49
Non current provision for Post-Employment Medical benefits	74.96	61.08
Add: Non current provision for Other defined benefit plans	377.61	74.31
Add: Current provision for Post-Employment Medical benefits	30.73	3.16
Add: Current provision for Other defined benefit plans	42.15	21.94
Closing provision as per above	**525.45**	**160.49**

2.4 Sensitivity analysis

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

Change in assumption			Increase in assumption			Decrease in assumption		
	March 31, 2022	March 31, 2021		March 31, 2022 ₹ crore	March 31, 2021 ₹ crore		March 31, 2022 ₹ crore	March 31, 2021 ₹ crore
Discount rate	0.5% to 1%	0.50%	Decrease by	(202.51)	530.54	Increase by	264.63	1,325.53
Salary/Pension growth rate	0.5% to 1%	0.50%	Increase by	132.27	208.56	Decrease by	(25.98)	1273.68
Mortality rates	1 year	1 year	Decrease by	5.87	6.26	Increase by	3.12	0.44
Healthcare cost	0.5% to 5%	0.50%	Increase by	5.17	353.53	Decrease by	4.17	0.30

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

2.5 The expected maturity analysis of undiscounted defined benefit obligation (Funded and Unfunded) is as follows:

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Within 1 year	372.33	596.35
Between 1 - 2 years	460.43	523.32
Between 2 - 3 years	423.58	454.90
Between 3 - 4 years	376.57	439.56
Between 4 - 5 years	398.26	407.23
Beyond 5 years	2,093.92	4,314.54

The weighted average duration of:	As at March 31, 2022	As at March 31, 2021
Provident Fund	8 Years	7 Years
Gratuity Fund	7.4 Years to 17 Years	7.4 Years

Notes to the Consolidated Financial Statements

28. Provisions (Contd.)

2.6 Risk exposure:

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

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk.

Inflation rate risk:

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

Demographic risk:

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

2.7 Major categories of plan assets:

Plan assets are funded with the trust set up by the Group. The Insurer trust invests the funds in various financial instruments. Major categories of plan assets are as follows:

	Provident Fund		Gratuity		Pension	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	%	%	%	%	%	%
Quoted Equity Instruments	7%	5%	12%	7%	3%	Nil
Debt & Other Instruments	40%	41%	12%	18%	48%	49%
Government Securities	53%	54%	76%	75%	49%	51%

29. Other Liabilities

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Non-current		
Consumers' Benefit Account	14.32	16.97
Deferred Revenue - Service Line Contributions from Consumers	5,159.21	4,086.27
Advance from Customers	35.77	0.08
Payable to Beneficiaries	35.61	Nil
Deferred Rent Liability	41.78	42.76
Deferred Revenue Liability	1,362.69	809.69
Deferred Revenue Grant	262.19	6.01
Government Grant towards cost of capital assets (Pending to be utilized)	1,227.72	1,025.28
Total	**8,139.29**	**5,987.06**

	As at March 31, 2022	As at March 31, 2021
	₹ crore	₹ crore
Current		
Statutory Liabilities	655.56	346.11
Advance from Customers/Public Utilities	182.08	286.95
Advance from Consumers	997.52	921.81
Liabilities towards Consumers	226.17	240.09
Statutory Consumer Reserves [Refer Note 40(f)]	191.57	179.00
Deferred Revenue Liability	36.79	374.27
Other Liabilities	489.39	132.43
Total	**2,779.08**	**2,480.66**

Notes to the Consolidated Financial Statements

30. Current Borrowings - At Amortised Cost

	As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
Unsecured		
(i) From Banks		
(a) Buyer's Line of Credit	373.13	Nil
(b) Bank Overdraft - repayable on demand	169.59	82.39
(c) Short-term Loans	1,880.20	2,487.68
From Others		
(d) From Related Parties	830.31	612.97
(e) Commercial Papers	2,186.12	3,922.76
	5,439.35	**7,105.80**
(ii) Secured		
From Banks		
(a) Buyer's Line of Credit	Nil	62.62
(b) Short-term Loans	1,457.04	1,250.43
(c) Cash Credit from Bank	18.64	13.78
(d) Bank Overdraft - repayable on demand	59.99	3.49
	1,535.67	**1,330.32**
(iii) Current Maturities of Long-term Debt (Refer Note 23)	7,885.28	4,689.67
Total	**14,860.30**	**13,125.79**

Security

Short-term Loans and Buyer's Line of Credit availed by various entities of the Group are secured by a charge on immovable property of certain entities, both present and future and are also secured by way of charge on tangible and intangible assets, current assets, receivables and stores and spares, uncalled capital receivables, rights under project documents, project cash flows, pledge of shares and monies receivable of the respective entities.

Current borrowings secured against current assets

The quarterly returns or statements of current assets filed by the groups with banks or financial institutions are in agreement with the books of accounts except as follows:

Quarter ended	Value per books of account	Value per quarterly return / statement	Discrepancy
30th June, 2021	Nil	₹ 625 crore	Unapproved regulatory asset included and disclosed as Approved*
30th September, 2021	Nil	₹ 709 crore	
31st December, 2021	Nil	₹ 677 crore	
31st March 31, 2022	Nil	₹ 867 crore	
31st December, 2021	₹ 1,920 crore	₹ 1,964 crore	Excess debtors reported by ₹ 44 crore #

*While submitting the quarterly statements for all four quarters during the year, the Group inadvertently included and disclosed unapproved regulatory balances as approved. However, subsequent to year end, the Group has communicated to Bank about the said discrepancy. Further, Bank has confirmed that the intention was not to exclude unapproved balances from the receivable and has initiated the process to change the sanction letter wherein total regulatory asset balance should be considered as receivables for the purpose of sanction limit.

#Subsequent to year end, Group has submitted the revised statement for quarter ended December 2021 and receivable balances as per revised statements are in agreement with the books of accounts.