Independent Auditor's Report

To the Members of
The Tata Power Company Limited

Report on the Audit of the Standalone 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 2020, 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, 2020, its profit including other comprehensive loss, 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, 2020. 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
Revenue recognition and accrual of regulatory deferrals *(as described in Note 19 and Note 30 of the standalone financial statements)*	

In the regulated generation, transmission and distribution business of the Company, the 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 on the basis of tariff invoiced to customers. As the Company is entitled to a fixed return on equity, the Company recognizes accrual for the shortage / excess compared to the entitled return on equity. The Company has recognized ₹ 1,121.53 crore for generation and transmission business and ₹ 258.32 crore for distribution business as accruals as at March 31, 2020.
 	
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 before higher authorities.
 	
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.
	Our procedures included, amongst others, the following:
	• Considered the Company's accounting policies with respect to accrual of regulatory deferrals and assessing compliance with Ind AS 114 "Regulatory Deferral Accounts" and Ind AS 115 "Revenue from Contract with Customers".
	• Performed test of controls over revenue recognition and accrual of regulatory deferrals through inspection of evidence of performance of these controls.
	• Performed the tests of details including the following key procedures:
	  • Evaluated the key assumptions used by the Company by comparing it with prior years, past precedents and the opinion of management's expert.
	  • Considered the independence, objectivity and competence of management's expert.
	  • For tariff orders received by the Company, assessed the impact recognized by the Company and for matters litigated by the Company, also assessed the management's evaluation of the likely outcome of the dispute based on past precedents and / or advice of management's expert.
	• Assessed 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 35 of the standalone financial statements)*	

The Company has recognized Minimum Alternate Tax (MAT) credit receivable of ₹ 437.51 crores as at March 31, 2020. The Company also has recognized deferred tax assets of ₹ 379.97 crores on long term capital loss on sale of investments.
 	
Further, pursuant to the Taxation Laws (Amendment) Act, 2019 (new tax regime), the Company has remeasured its deferred tax balances expected to reverse after the likely transition to new tax regime, at the rate specified in the new tax regime and has recognized a net gain of ₹ 275.00 crores.
 	
The recognition and measurement of MAT credit receivable and deferred tax balances; is a key audit matter as the recoverability of such credits within the allowed time frame in the manner prescribed under tax regulations and estimation of year of transition to the new tax regime involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Company.
	Our procedures included, amongst others, the following:
	• Considered Company's accounting policies with respect to recognition and measurement of tax balances in accordance with Ind AS 12 "Income Taxes"
	• Performed test of controls over recognition and measurement of tax balances through inspection of evidence of performance of these controls.
	• Performed the tests of details including the following key procedures:
	  • Involved tax specialists who evaluated the Company's tax positions basis the tax law and also by comparing it with prior years and past precedents.
	  • Discussed the future business plans and financial projections with the management.
	  • Assessed 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.
	• Assessed the disclosures in accordance with the requirements of Ind AS 12 "Income Taxes".

Impairment of assets *(as described in Note 5 and Note 7 of the standalone 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 ₹ 3,555.00 crores with respect to Mundra CGU (comprising of investment in companies owning Mundra power plant, coal mines and related infrastructure), ₹ 446.09 crores for investment in company owning hydro power plant in Georgia and ₹ 100.00 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.
 	
Impairment of assets is a key audit matter considering the significance of the carrying value, long term estimation and the significant judgements involved in the impairment assessment.
	Our procedures included, amongst others, the following:
	
	• Considered the Company's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets".
	
	• Performed test of controls over impairment process through inspection of evidence of performance of these controls.
	
	• Performed the tests of details including the following key procedures:
	
	  • Obtained the management's impairment assessment.
	
	  • Evaluated 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.
	
	  • Obtained and evaluated the sensitivity analysis.
	
	• Assessed the disclosures in accordance with Ind AS 36 "Impairment of assets".

Going Concern Assessment *(as described in Note 42.4.3 of the standalone financial statements)*	
The Company has current liabilities of ₹ 10,550.18 crores and current assets of ₹ 2,989.86 crores as at March 31, 2020. Current liabilities exceeds 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, amongst others, the following: • Obtained an understanding of the process and tested the internal controls associated with the management's assessment of Going Concern assumption. • Discussed with management and assessed the assumptions, judgements and estimates used in assessment having regards to past performance and current emerging business trends affecting the business and industry. • Assessed the Company's ability to refinance its obligation based on the past trends, credit ratings, ability to generate cash flows and access to capital. • Assessed the adequacy of the disclosures in the standalone Ind AS financial statements.

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 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 loss, 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 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 system 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, 2020 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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, 2020 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 38 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 18 to the standalone 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.

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

per Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 20112773AAAACW7931

Mumbai
Date: May 19, 2020

Annexure 1 to the Independent Auditor's Report referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone financial statements of The Tata Power Company Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed 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) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except for:

a. immovable properties aggregating to ₹ 0.88 crore acquired during merger of Chemical Terminal Trombay Limited in the earlier year for which registration of title of deeds is in progress;

b. immovable properties aggregating to ₹ 8.01 crore acquired in earlier years for which registration of title of deeds is in progress;

c. immovable properties aggregating to ₹ 27.57 crore for which the title deed is in dispute and pending resolution as at March 31, 2020;

Further registration of title deed is in progress in respect of leasehold land classified under Asset held for sale aggregating to ₹ 215.56 crore (Gross value ₹ 225.65 crore).

According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are pledged with the banks and not available with the Company as described in note 22 of standalone financials statements. The same has not been independently confirmed by the bank and hence we are unable to comment on the same.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to thirteen companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(iii) (b) The Company has granted loans to thirteen companies covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(iii) (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to generation of electricity and arms and ammunitions, electricals or electronic machinery 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) According to the information and explanations given to us in respect of statutory dues:

(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues applicable to it.

(b) No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, custom duty, excise duty, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of Statute	Nature of dues	(₹ Crores)	Period to which 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)
		3.60	2004-05 to 2005-06	CESTAT
		1.37	2004-05 to 2005-06 and 2009-10	Principal Commissioner of Customs
The Central Excise Act, 1944	Excise Duty	0.81	1993-94 to 1995-96	CESTAT
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	8.99	2008-09	Income Tax Appellate Tribunal
		1.08	2009-10	
		100.19	2011-12 – 2014-15	
	Tax deducted at source	50.19	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 (Appeals)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of debentures and term loans for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

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

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 20112773AAAACW7931

Mumbai
Date: May 19, 2020

Annexure 2 to the Independent Auditor's Report of even date on the Standalone 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, as amended ("the Act")

We have audited the internal financial controls over financial reporting of The Tata Power Company Limited ("the Company") as of March 31, 2020 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under Act.

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 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 and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 included obtaining an understanding of internal financial controls over financial reporting 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 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 Financial Statements

A company's internal financial control 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 control 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 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, 2020, 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 Institute of Chartered Accountants of India.

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

per Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 20112773AAAACW7931

Mumbai
Date: May 19, 2020

Standalone Balance Sheet
as at 31st March, 2020

	Notes	Page	As at 31st March, 2020	As at 31st March, 2019
			₹ crore	₹ crore
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	5	262	7,974.07	7,545.96
(b) Capital Work-in-Progress			402.87	368.10
(c) Intangible Assets	6	265	62.22	83.89
(d) Financial Assets				
(i) Investments	7	267	21,327.20	21,270.77
(ii) Trade Receivables	8	272	Nil	185.76
(iii) Loans	9	273	42.10	51.35
(iv) Finance Lease Receivables	10	275	553.03	554.27
(v) Other Financial Assets	11	276	222.77	2.89
(e) Non-current Tax Assets (Net)	12	277	135.00	68.65
(f) Other Non-current Assets	13	277	1,009.64	977.10
Total Non-current Assets			**31,728.90**	**31,108.74**
Current Assets				
(a) Inventories	14	279	635.01	579.51
(b) Financial Assets				
(i) Investments	15	279	20.00	42.00
(ii) Trade Receivables	8	272	1,108.68	1,256.44
(iii) Unbilled Revenue			83.41	41.56
(iv) Cash and Cash Equivalents	16	280	158.54	75.94
(v) Bank Balances other than (iv) above	17	281	20.40	19.85
(vi) Loans	9	273	550.09	119.20
(vii) Finance Lease Receivables	10	275	31.89	37.58
(viii) Other Financial Assets	11	276	235.58	96.06
(c) Other Current Assets	13	277	146.26	952.11
Total Current Assets			**2,989.86**	**3,220.25**
Assets Classified as Held For Sale	18a.	281	2,639.40	2,806.59
Total Assets before Regulatory Deferral Account			**37,358.16**	**37,135.58**
Regulatory Deferral Account - Assets	19	284	**258.32**	**999.00**
TOTAL ASSETS			**37,616.48**	**38,134.58**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	20a.	285	270.50	270.50
(b) Unsecured Perpetual Securities	20b.	286	1,500.00	1,500.00
(c) Other Equity	21	287	13,491.47	13,919.10
Total Equity			**15,261.97**	**15,689.60**

Standalone Balance Sheet
as at 31st March, 2020 (Contd.)

	Notes	Page	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	289	9,825.33	8,749.72
(ii) Lease Liabilities	23	292	237.03	Nil
(iii) Trade Payables				
(a) Total outstanding dues of micro enterprises and small enterprises	36	314	Nil	Nil
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises			Nil	22.75
(iv) Other Financial Liabilities	24	293	14.60	42.76
(b) Deferred Tax Liabilities (Net)	25	293	307.25	583.49
(c) Provisions	26	294	222.46	195.55
(d) Other Non-current Liabilities	27	302	161.34	183.54
Total Non-current Liabilities			**10,768.01**	**9,777.81**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	28	302	6,212.31	6,731.80
(ii) Lease Liabilities	23	292	41.82	Nil
(iii) Trade Payables				
(a) Total outstanding dues of micro enterprises and small enterprises	36	314	7.72	3.96
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises			994.15	1,098.18
(iv) Other Financial Liabilities	24	293	2,621.62	2,895.43
(b) Current Tax Liabilities (Net)	29	302	107.67	107.67
(c) Provisions	26	294	62.02	14.74
(d) Other Current Liabilities	27	302	502.87	849.12
Total Current Liabilities			**10,550.18**	**11,700.90**
Liabilities directly associated with Assets Classified as Held For Sale	18b.	282	1,036.32	966.27
Total Liabilities before Regulatory Deferral Account			**22,354.51**	**22,444.98**
Regulatory Deferral Account - Liability	19	284	**Nil**	**Nil**
TOTAL EQUITY AND LIABILITIES			**37,616.48**	**38,134.58**

See accompanying notes to the Standalone 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, 19th May, 2020.

For and on behalf of the Board,

PRAVEER SINHA
CEO & Managing Director
DIN 01785164

BANMALI AGRAWALA
Director
DIN 00120029

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 19th May, 2020.

Standalone Statement of Profit and Loss
for the year ended 31st March, 2020

		Notes	Page	For the year ended 31st March, 2020	For the year ended 31st March, 2019
				₹ crore	₹ crore
I	Revenue from Operations	30	303	7,726.39	8,255.25
II	Other Income	31	307	582.62	516.35
III	**Total Income**			**8,309.01**	**8,771.60**
IV	**Expenses**				
	Cost of Power Purchased			457.59	457.02
	Cost of Fuel	39b.	316	2,765.61	3,168.27
	Transmission Charges			214.00	248.23
	Employee Benefits Expense (Net)	32	308	610.71	637.57
	Finance Costs	33	308	1,510.38	1,500.35
	Depreciation and Amortisation Expenses	5 & 6	262	685.75	632.70
	Other Expenses	34	309	756.69	801.87
	Total Expenses			**7,000.73**	**7,446.01**
V	**Profit/(Loss) Before Movement in Regulatory Deferral Balance, Exceptional Items and Tax**			**1,308.28**	**1,325.59**
	Add/(Less): Net Movement in Regulatory Deferral Balances	19	284	(792.24)	(519.03)
	Add/(Less): Net Movement in Regulatory Deferral Balances in respect of earlier years	19	284	(21.32)	274.26
	Add/(Less): Deferred Tax Recoverable/(Payable)	3.11.3	261	162.16	98.19
				(651.40)	**(146.58)**
VI	**Profit/(Loss) Before Exceptional Items and Tax**			**656.88**	**1,179.01**
	Add/(Less): Exceptional Items				
	Reversal of Impairment of Non-current Investments and related obligation	7	267	235.00	Nil
	Standby Litigation	39a.	316	(276.35)	Nil
	Remeasurement of Deferred Tax Recoverable on account of New Tax Regime (Net)	35	310	(265.00)	Nil
	Provision for Contingencies	39b.	316	Nil	(45.00)
	Gain on Sale of Investment in Associates	18a.	281	Nil	1,212.99
				(306.35)	**1,167.99**
VII	**Profit/(Loss) Before Tax**			**350.53**	**2,347.00**
VIII	**Tax Expense/(Credit)**				
	Current Tax	35	310	18.61	110.88
	Deferred Tax	35	310	73.08	331.58
	Deferred Tax relating to earlier years	35	310	(24.51)	10.00
	Remeasurement of Deferred Tax on account of New Tax Regime (Net)	35	310	(275.00)	Nil
				(207.82)	**452.46**
IX	**Profit/(Loss) for the Year from Continuing Operations**			**558.35**	**1,894.54**
X	**Profit/(Loss) before tax from Discontinued Operations**	18c.	282	(81.64)	(191.82)
	Impairment Loss related to Discontinued Operations on remeasurement to Fair Value	18c.	282	(361.00)	Nil
XI	**Tax Expense/(Credit) of Discontinued Operations**				
	Current Tax			Nil	(71.92)
	Deferred Tax			(32.41)	5.94
	Tax Expense/(Credit) of Discontinued Operations			**(32.41)**	**(65.98)**
XII	**Profit/(Loss) for the Year from Discontinued Operations**	18c.	282	**(410.23)**	**(125.84)**
XIII	**Profit/(Loss) for the Year**			**148.12**	**1,768.70**

Standalone Statement of Profit and Loss
for the year ended 31st March, 2020 (Contd.)

	Notes	Page	For the year ended 31st March, 2020	For the year ended 31st March, 2019
			₹ 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 the Defined Benefit Plans	26	294	(51.79)	(20.00)
(b) Equity Instruments classified at FVTOCI			(3.50)	0.17
(c) Gain on sale of Investment classified at FVTOCI			Nil	0.01
(d) Assets Classified as Held For Sale - Equity Instruments classified at FVTOCI			(15.84)	(31.05)
(ii) Tax relating to items that will not be reclassified to profit or loss				
(a) Current Tax	35	310	0.77	6.99
(b) Deferred Tax	35	310	17.40	(0.02)
			(52.96)	**(43.90)**
XV Other Comprehensive Income/(Expenses) - Discontinued Operations				
Add/(Less): (i) Items that will not be reclassified to profit or loss	26	294	0.20	(1.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss			Nil	0.40
			0.20	**(0.74)**
Other Comprehensive Income/(Expenses) For The Year (Net of Tax)			**(52.76)**	**(44.64)**
XVI Total Comprehensive Income for the Year (XIII + XIV+XV)			**95.36**	**1,724.06**
XVII Basic and Diluted Earnings Per Equity Share (of ₹ 1/- each) (₹)	40	317		
(i) From Continuing Operations before net movement in regulatory deferral balances			3.23	6.72
(ii) From Continuing Operations after net movement in regulatory deferral balances			1.44	6.36
(iii) From Discontinued Operations			(1.52)	(0.46)
(iv) Total Operations after net movement in regulatory deferral balances			(0.08)	5.90

See accompanying notes to the Standalone 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, 19th May, 2020.

For and on behalf of the Board,
PRAVEER SINHA
CEO & Managing Director
DIN 01785164

BANMALI AGRAWALA
Director
DIN 00120029

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 19th May, 2020.

Standalone Statement of Cash Flows
for the year ended 31st March, 2020

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
A. Cash Flow from Operating Activities		
Profit/(loss) before tax from continuing operations	**350.53**	**2,347.00**
Profit/(loss) before tax from discontinued operations	**(442.64)**	**(191.82)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	685.75	632.70
Interest income	(107.44)	(84.91)
Interest on income-tax refund	(10.96)	Nil
Delayed payment charges	(6.61)	(6.34)
Dividend income	(368.81)	(383.91)
Finance cost (Net of capitalisation)	1,546.53	1,536.68
(Gain)/loss on disposal of property, plant and equipment (Net)	(0.35)	(10.81)
(Gain)/loss on sale/fair value of current investment measured at fair value through profit and loss	(13.41)	(6.29)
(Gain)/loss on sale of non-current investments (including fair value change)	(9.06)	(0.88)
Amortisation of premium paid on leasehold land	Nil	2.64
Guarantee commission from subsidiaries and joint ventures	(60.63)	(20.95)
Amortisation of service line contributions	(7.99)	(7.46)
Transfer to Statutory Consumer Reserve	17.00	16.00
Bad debts	6.05	Nil
Allowance for doubtful debts and advances (Net)	2.85	19.11
Gain on sale of investment in associates	Nil	(1,212.99)
Reversal of impairment of non-current investments and related obligation	(235.00)	Nil
Impairment Loss on Remeasurement to Fair Value related to discontinued operations	361.00	Nil
Effect of exchange fluctuation (Net)	(2.44)	4.54
	1,796.48	**477.13**
	1,704.37	**2,632.31**
Working Capital adjustments:		
Adjustments for (increase) / decrease in assets:		
Inventories	(34.65)	(107.14)
Trade receivables	(10.04)	(251.20)
Finance lease receivables	6.93	17.18
Loans - current	(2.39)	(0.41)
Loans - non-current	9.25	4.09
Other current assets	141.11	(646.61)
Other non-current assets	123.64	270.34
Unbilled revenue	(26.24)	66.23
Other financial assets - current	1.18	(0.40)
Other financial assets - non-current	(41.15)	1.10
Regulatory deferral account - assets	740.68	796.37
	908.32	**149.55**
	2,612.69	**2,781.86**

Standalone Statement of Cash Flows
for the year ended 31st March, 2020 (Contd.)

		For the year ended 31st March, 2020	For the year ended 31st March, 2019
		₹ crore	₹ crore
Adjustments for increase / (decrease) in liabilities:			
Trade payables		(277.60)	(34.77)
Other current liabilities		139.56	(382.37)
Other non-current liabilities		0.70	(66.98)
Current provisions		(12.66)	(40.72)
Non-current provisions		25.03	24.62
Other financial liabilities - current		(80.47)	(13.37)
Other financial liabilities - non current		(24.05)	1.38
Regulatory deferral account - liability		Nil	(485.00)
		(229.49)	**(997.21)**
Cash flow from/(used in) operations		2,383.20	1,784.65
Income tax paid (Net of refund received)		(74.40)	(101.31)
Net Cash Flows from/(used in) Operating Activities	**A**	**2,308.80**	**1,683.34**
B. Cash Flow from Investing Activities			
Capital expenditure on property, plant and equipment (including capital advances)		(705.05)	(522.39)
Proceeds from sale of property, plant and equipment (including property, plant and equipment classified as held for sale)		26.53	32.35
Purchase of non current investments		(284.11)	(3,450.99)
Proceeds from sale of non-current investments (including investments classified as held for sale)		271.28	2,412.77
(Purchase)/proceeds from/ to sale of current investments (Net)		35.41	16.29
Interest received		107.83	122.36
Delayed payment charges received		6.61	6.34
Loans given		(3,259.41)	(2,361.61)
Loans repaid		2,824.04	2,623.97
Dividend received		449.97	548.55
Guarantee commission received		56.16	18.76
Bank balance not considered as cash and cash equivalents		(0.25)	(2.95)
Net Cash Flow from/(used in) Investing Activities	**B**	**(470.99)**	**(556.55)**
C. Cash Flow from Financing Activities			
Proceeds from non-current borrowings		3,403.59	3,337.09
Repayment of non-current borrowings		(2,568.35)	(4,729.41)
Proceeds from current borrowings		30,776.85	22,729.91
Repayment of current borrowings		(31,295.20)	(20,231.28)
Interest and other borrowing costs		(1,524.17)	(1,591.08)
Dividends paid		(351.99)	(351.99)
Distribution on unsecured perpetual securities		(171.00)	(171.00)
Increase in capital/service line contributions		7.03	11.49
Payments of Lease liability (including interest)		(29.34)	Nil
Net Cash Flow from/(used in) Financing Activities	**C**	**(1,752.58)**	**(996.27)**
Net increase/(decrease) in Cash and Cash Equivalents	**(A + B + C)**	**85.23**	**130.52**
Cash and Cash Equivalents as at 1st April (Opening Balance)		**79.86**	**(50.66)**
Cash and Cash Equivalents as at 31st March (Closing Balance)		**165.09**	**79.86**

Standalone Statement of Cash Flows
for the year ended 31st March, 2020 (Contd.)

	As at 31st March, 2020	As at 31st March, 2019
	₹ crore	₹ crore
Cash and Cash Equivalents include:		
(a) Balances with banks		
In current accounts	158.54	75.94
(b) Bank overdraft	(1.05)	(2.19)
Cash and Cash Equivalents related to Continuing Operations	**157.49**	**73.75**
(a) Balances with banks		
In current accounts	7.62	6.13
(b) Book overdraft	(0.02)	(0.02)
Cash and Cash Equivalents related to Discontinued Operations	**7.60**	**6.11**
Total of Cash and Cash Equivalents	**165.09**	**79.86**

See accompanying notes to the Standalone 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, 19th May, 2020.

For and on behalf of the Board,
PRAVEER SINHA
CEO & Managing Director
DIN 01785164

BANMALI AGRAWALA
Director
DIN 00120029

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 19th May, 2020.

Standalone Statement of Change in Equity
for the year ended 31st March, 2020

A. Equity Share Capital

₹ crore

	No. of Shares	Amount
Balance as at 1st April, 2018	270,47,73,510	270.50
Issued during the year	Nil	Nil
Balance as at 31st March, 2019	270,47,73,510	270.50
Balance as at 1st April, 2019	270,47,73,510	270.50
Issued during the year	Nil	Nil
Balance as at 31st March, 2020	**270,47,73,510**	**270.50**

B. Unsecured Perpetual Securities

₹ crore

	No. of Securities	Amount
Balance as at 1st April, 2018	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at 31st March, 2019	15,000	1,500.00
Balance as at 1st April, 2019	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at 31st March, 2020	**15,000**	**1,500.00**

C. Other Equity (Refer Note 21)

₹ crore

	Reserves and Surplus							Item of Other Comprehensive Income	
Description	**General Reserve**	**Securities Premium**	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Capital Reserve**	**Statutory Reserve**	**Retained Earnings**	**Equity Instrument through Other Comprehensive Income**	**Total**
Balance as at 1st April, 2018	3,853.98	5,634.98	1,000.61	1.85	61.66	660.08	1,878.99	(374.12)	12,718.03
Profit/(Loss) for the year	Nil	Nil	Nil	Nil	Nil	Nil	1,768.70	Nil	1,768.70
Other Comprehensive Income/(Expenses) for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	(13.75)	(30.89)	(44.64)
Total Comprehensive Income	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**1,754.95**	**(30.89)**	**1,724.06**
Dividend paid (including tax on dividend)	Nil	Nil	Nil	Nil	Nil	Nil	(351.99)	Nil	(351.99)
Transfer to/(from) Debenture Redemption Reserve	Nil	Nil	(578.66)	Nil	Nil	Nil	578.66	Nil	Nil
Transfer to Retained Earnings on Sale of Shares	Nil	Nil	Nil	Nil	Nil	Nil	(735.49)	735.49	Nil
Distribution on Unsecured Perpetual Securities	Nil	Nil	Nil	Nil	Nil	Nil	(171.00)	Nil	(171.00)
Balance as at 31st March, 2019	**3,853.98**	**5,634.98**	**421.95**	**1.85**	**61.66**	**660.08**	**2,954.12**	**330.48**	**13,919.10**
Balance as at 1st April, 2019	3,853.98	5,634.98	421.95	1.85	61.66	660.08	2,954.12	330.48	13,919.10
Profit/(Loss) for the year	Nil	Nil	Nil	Nil	Nil	Nil	148.12	Nil	148.12
Other Comprehensive Income/(Expenses) for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	(33.42)	(19.34)	(52.76)
Total Comprehensive Income	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**114.70**	**(19.34)**	**95.36**
Dividend paid (including tax on dividend)	Nil	Nil	Nil	Nil	Nil	Nil	(351.99)	Nil	(351.99)
Transfer to/(from) Debenture Redemption Reserve	Nil	Nil	(125.00)	Nil	Nil	Nil	125.00	Nil	Nil
Transfer to Retained Earnings on Sale of Shares	Nil	Nil	Nil	Nil	Nil	Nil	356.25	(356.25)	Nil
Distribution on Unsecured Perpetual Securities	Nil	Nil	Nil	Nil	Nil	Nil	(171.00)	Nil	(171.00)
Balance as at 31st March, 2020	**3,853.98**	**5,634.98**	**296.95**	**1.85**	**61.66**	**660.08**	**3,027.08**	**(45.11)**	**13,491.47**

See accompanying notes to the Standalone 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, 19th May, 2020.

For and on behalf of the Board,
PRAVEER SINHA
CEO & Managing Director
DIN 01785164

RAMESH SUBRAMANYAM
Chief Financial Officer

Mumbai, 19th May, 2020.

BANMALI AGRAWALA
Director
DIN 00120029

H. M. MISTRY
Company Secretary

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, VII of 1913. The registered office of the Company is located at Bombay House, 24, Homi Mody Street, Mumbai 400001, India. The Company is listed on BSE Limited (BSE) and 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 2,304 MW in India and a presence in all the segments of the power sector viz. Fuel and Logistics, Generation (thermal, hydro, solar and wind), Transmission and Distribution.

2. Significant Accounting Policies:

2.1 Statement of compliance

The Standalone Ind AS 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 Ind AS 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 26 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.

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

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 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.

3.4 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 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.

3.5.1 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 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. Other Significant Accounting Policies (Contd.)

3.5.2 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.

3.5.3 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 accounted in the statement of profit and loss.

3.5.4 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.

3.5.5 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.

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

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

3. Other Significant Accounting Policies (Contd.)

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.

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 New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2019. The nature and the impact of each amendment is described below:

3.11.1 Ind AS 116 'Leases'

Ind AS 116 - 'Leases' (Ind AS 116) was notified in March, 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. The Company has applied Ind AS 116 with a date of initial application of 1st April, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at 1st April, 2019.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risk and

3. Other Significant Accounting Policies (Contd.)

rewards incidental to the ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognizes the right-of-use assets and lease liabilities as stated in the Note 5B and 23.

On adoption of Ind AS 116, the Company has recognized 'Right-of-use' assets amounting to ₹ 406.99 crore (including reclassification of lease prepayment from other assets amounting to ₹ 206.00 crore) and 'Lease liabilities' amounting to ₹ 225.00 crore (including reclassification of lease liability from trade payables amounting to ₹ 24.00 crore) as at 1st April, 2019. There is no impact on retained earnings as at 1st April, 2019. The Company has applied Ind AS 116 only to the contracts that were previously identified as leases. As a practical expedient, contracts previously identified as lease under Ind AS 17 has not reassessed as to whether a contract is, or contains, a lease under Ind AS 116.

The Company has used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the exemption not to recognize right-of-use asset and liabilities for leases with remaining lease term of 12 months or less.
- Excluded initial direct costs from measuring the right-of-use asset at the date of application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The lease liabilities as at 1st April, 2019 can be reconciled to the operating lease commitments as of 31st March, 2019 as follows:

Particulars	₹ crore
Operating lease commitments (including cancellable and non-cancellable leases) as at 31st March, 2019.	462.20
Less: Commitments relating to short-term leases	(29.07)
Less: Commitments relating to leases of low-value assets	(0.38)
Net Operating lease commitments as at 31st March, 2019.	432.75
Weighted average incremental borrowing rate as at 1st April, 2019	9.15%
Lease liabilities as at 1st April, 2019	225.00

Accounting Policy for Leases till 31st March, 2019

Leasing arrangement

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

3.11.2 Ind AS 12 Income Taxes

Pursuant to the amendment in Ind AS 12 - 'Income Taxes' effective from 1st April, 2019, the Company has recognised the income tax consequence on interest on perpetual securities in the profit and loss which was earlier recognized directly in other equity and has restated the figures for previous year presented. Accordingly, the profit after tax for the year ended 31st March, 2019 is higher by ₹ 60.12 crore as compared to previous year Standalone Ind AS financial statements. There is no impact on the "Other Equity" of the Company.

3. Other Significant Accounting Policies (Contd.)

3.11.3 Deferred Tax Recoverable / Payable

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 recognizes Deferred Tax Recoverable / Payable against any Deferred Tax Expense / Income. Until previous year, the same was presented under 'Tax Expenses' in the financial statements. During the year, pursuant to an opinion by the Expert Advisory Committee of The Institute of Chartered Accountants of India, the same has now been included in 'Revenue from Operations' in case of Generation and Transmission business and disclosed as 'Deferred Tax Recoverable / (Payable)' as Net Movement in Regulatory Deferral Balances in case of Distribution business. There is no impact in the Other Equity and Profit / (Loss) on account of such change in presentation. Impact of this restatement in the comparative year is as follows:

₹ crore

Particulars	For the year ended 31st March, 2019
Revenue from Operations - Increase / (Decrease)	322.42
Movement in Net Regulatory Deferral Balances - Income / (Expense)	98.19
Tax (Expense) / Credit	420.61
Basic and diluted EPS from continuing operations before movement in regulatory deferral balances - Increase / (Decrease)	(0.23)

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 Ind AS financial statements.

The areas involving critical estimates or judgements are:

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

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

Estimation of defined benefit obligation - Note 26

Estimations used for determination of tax expenses and tax balances (including Minimum Alternate Tax credit) - Note 35

Estimates related to accrual of regulatory deferrals and revenue recognition - Note 19 and 30

Estimates and judgements related to the assessment of liquidity risk - Note 42.4.3

Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claims against the Company - Note 38

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.

5. Property, Plant and Equipment

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 equipment 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.

The accounting policy related to Right of Use Assets has been disclosed in Note 23.

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 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.

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
Leasehold Lands	95 years
Hydraulic Works	35 years
Buildings-Plant	5 to 35 years
Buildings-Others	25 to 60 years
Coal Jetty	25 years
Railway Sidings, Roads, Crossings, etc.	25 to 35 years
Plant and Equipment (excluding Computers and Data Processing units)	25 to 35 years
Plant and Equipment (Computers and Data Processing units)	3 years
Transmission Lines, Cable Network, etc.	25 to 35 years
Furniture and Fixtures	10 to 35 years
Office Equipment	5 years
Motor Cars	5 years
Motor Lorries, Launches, Barges etc.	25 to 35 years
Helicopters	25 years

Derecognition

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 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.

5. Property, Plant and Equipment (Contd.)

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 a pre-tax 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.

Notes To The Standalone Financial Statements

5. Property, Plant and Equipment (Contd.)

A. Owned Assets

₹ crore

Description	Freehold Land	Leasehold Land	Hydraulic Works	Buildings - Plant	Buildings - Others @	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, 2019	143.63	Nil	536.46	937.09	217.35	106.10	46.51	9,583.14	3,163.18	65.47	27.09	42.44	37.01	14,905.47
Additions	Nil	Nil	0.04	64.24	24.41	Nil	0.53	333.45	251.57	1.97	0.84	0.94	Nil	677.99
Disposals	Nil	Nil	Nil	(0.58)	(0.93)	Nil	(0.05)	(49.02)	(0.10)	(5.66)	(2.05)	(7.19)	Nil	(65.58)
Reversal of held for sale (Refer Note 18a.)	0.04	Nil	Nil	0.97	0.34	Nil	Nil	29.23	Nil	0.01	0.01	Nil	Nil	30.60
Reclassified as held for sale (Refer Note 18a.)	(26.42)	Nil	(0.13)	(0.65)	(0.79)	Nil	(0.23)	(0.02)	(0.69)	Nil	(0.01)	Nil	(1.71)	(30.65)
Balance as at 31st March, 2020	**117.25**	**Nil**	**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**
Accumulated depreciation and impairment (Refer Note 1 below)														
Balance as at 1st April, 2019	Nil	Nil	293.86	266.80	95.99	56.01	23.49	5,297.08	1,198.70	41.53	22.99	29.81	33.25	7,359.51
Depreciation Expense - Continuing Operations	Nil	Nil	12.37	30.22	6.64	5.60	1.30	404.16	137.79	4.20	1.52	4.67	0.01	608.48
Disposal of assets	Nil	Nil	Nil	(0.31)	(0.91)	Nil	(0.05)	(41.16)	(0.08)	(5.24)	(1.94)	(6.08)	Nil	(55.77)
Reversal of held for sale (Refer Note 18a.)	Nil	Nil	Nil	0.85	0.12	Nil	Nil	24.68	Nil	0.01	0.01	Nil	Nil	25.67
Reclassified as held for sale (Refer Note 18a.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(1.53)	(1.53)
Balance as at 31st March, 2020	**Nil**	**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**
Net carrying amount														
As at 31st March, 2020	**117.25**	**Nil**	**230.14**	**703.51**	**138.54**	**44.49**	**22.02**	**4,212.02**	**2,077.55**	**21.29**	**3.30**	**7.79**	**3.57**	**7,581.47**

₹ crore

Description	Freehold Land	Leasehold Land	Hydraulic Works	Buildings - Plant	Buildings - Others @	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, 2018	145.20	225.65	536.68	883.94	231.70	106.10	46.58	9,439.02	2,962.64	68.04	28.70	46.68	37.01	14,757.94
Additions	Nil	Nil	1.56	56.88	7.64	Nil	0.66	244.09	200.82	1.42	0.37	0.70	Nil	514.14
Disposals	(1.45)	Nil	(1.78)	(1.62)	(0.39)	Nil	(0.73)	(70.75)	(0.28)	(3.98)	(1.97)	(4.94)	Nil	(87.89)
Reclassified (to)/from held for sale (Refer Note 18a.)	(0.12)	(225.65)	Nil	(2.11)	(21.60)	Nil	Nil	(29.22)	Nil	(0.01)	(0.01)	Nil	Nil	(278.72)
Balance as at 31st March, 2019	**143.63**	**Nil**	**536.46**	**937.09**	**217.35**	**106.10**	**46.51**	**9,583.14**	**3,163.18**	**65.47**	**27.09**	**42.44**	**37.01**	**14,905.47**
Accumulated depreciation and impairment (Refer Note 1 below)														
Balance as at 1st April, 2018	Nil	7.73	283.00	246.10	97.32	50.39	22.71	4,985.80	1,070.70	40.23	22.76	26.87	30.78	6,884.39
Depreciation Expense - Continuing Operations	Nil	2.37	12.37	23.65	11.48	5.62	1.42	393.89	128.24	4.59	2.05	6.88	2.47	595.03
Disposal of assets	Nil	Nil	(1.51)	(1.45)	(0.36)	Nil	(0.64)	(57.93)	(0.24)	(3.28)	(1.81)	(3.94)	Nil	(71.16)
Reclassified (to)/from held for sale (Refer Note 18a.)	Nil	(10.10)	Nil	(1.50)	(12.45)	Nil	Nil	(24.68)	Nil	(0.01)	(0.01)	Nil	Nil	(48.75)
Balance as at 31st March, 2019	**Nil**	**Nil**	**293.86**	**266.80**	**95.99**	**56.01**	**23.49**	**5,297.08**	**1,198.70**	**41.53**	**22.99**	**29.81**	**33.25**	**7,359.51**
Net carrying amount														
As at 31st March, 2019	**143.63**	**Nil**	**242.60**	**670.29**	**121.36**	**50.09**	**23.02**	**4,286.06**	**1,964.48**	**23.94**	**4.10**	**12.63**	**3.76**	**7,545.96**

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

Notes:

1. 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.
2. Refer Note 22 for charge created on Property, Plant and Equipment.
3. The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except for:
   (a) immovable properties aggregating to ₹ 0.88 crore (31st March, 2019 - ₹ 0.88 crore) acquired during merger of Chemical Terminal Trombay Ltd. in the earlier year for which registration of title of deeds is in progress;
   (b) immovable properties aggregating to ₹ 8.01 crore (31st March, 2019 - ₹ 26.54 crore) acquired in earlier years for which registration of title of deeds is in progress;
   (c) land aggregating to ₹ 215.55 crore (Gross value ₹ 225.65 crore) (31st March, 2019 - ₹ 215.55 crore), taken on lease for which registration of title of deeds is in progress, classified as held for sale (Refer Note 18a.)
   (d) immovable properties aggregating to ₹ 27.57 crore (31st March, 2019 - ₹ 27.57 crore) for which the title deed is in dispute and pending resolution as at 31st March, 2020.
4. The shareholders have approved schemes of arrangement for transfer of 499.5 MW clean energy assets of the company to wholly owned subsidiaries, as a "going concern" on a slump sale basis. The necessary documents have been filed with the National Company Law Tribunal (NCLT) for its final order. The effect of the schemes would be recognised on receipt of statutory approvals.

5. Property, Plant and Equipment (Contd.)

B. Right of Use Assets (Refer Note 23)

₹ crore

Description	Leasehold Land and Sub-surface rights	Plant and Equipment	Total
Cost			
Balance as on 1st April, 2019 (Refer Note 3.11.1)	395.56	11.43	406.99
Additions during the year	69.31	Nil	69.31
Reclassified as held for sale (Refer Note 18a.)	(43.92)	Nil	(43.92)
Balance as at 31st March, 2020	**420.95**	**11.43**	**432.38**
Accumulated depreciation and impairment			
Balance as on 1st April, 2019	Nil	Nil	Nil
Depreciation Expense	35.21	4.57	39.78
Balance as at 31st March, 2020	**35.21**	**4.57**	**39.78**
Net carrying amount			
As at 31st March, 2020	**385.74**	**6.86**	**392.60**
As at 31st March, 2019	Nil	Nil	Nil

Description	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Net carrying amount		
A. Owned Assets	7,581.47	7,545.96
B. Right of Use Assets	392.60	Nil
Total	**7,974.07**	**7,545.96**

6. 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.

6. Intangible Assets (Contd.)

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

₹ crore

Description	Computer softwares $	Copyrights, patents, other intellectual property rights, services and operating rights #	Licences and franchises $	Total
Cost				
Balance as at 1st April, 2019	233.97	0.57	0.26	234.80
Additions	15.82	Nil	Nil	15.82
Balance as at 31st March, 2020	**249.79**	**0.57**	**0.26**	**250.62**
Accumulated amortisation and impairment				
Balance as at 1st April, 2019	150.16	0.49	0.26	150.91
Amortisation expense	37.48	0.01	Nil	37.49
Balance as at 31st March, 2020	**187.64**	**0.50**	**0.26**	**188.40**
Net carrying amount				
As at 31st March, 2020	**62.15**	**0.07**	**Nil**	**62.22**

₹ crore

Description	Computer softwares $	Copyrights, patents, other intellectual property rights, services and operating rights #	Licences and franchises $	Total
Cost				
Balance as at 1st April, 2018	205.63	0.53	0.26	206.42
Additions	28.34	0.04	Nil	28.38
Balance as at 31st March, 2019	**233.97**	**0.57**	**0.26**	**234.80**
Accumulated amortisation and impairment				
Balance as at 1st April, 2018	112.50	0.48	0.26	113.24
Amortisation expense	37.66	0.01	Nil	37.67
Balance as at 31st March, 2019	**150.16**	**0.49**	**0.26**	**150.91**
Net carrying amount				
As at 31st March, 2019	**83.81**	**0.08**	**Nil**	**83.89**

Notes:
Internally generated intangible assets.
$ Other than internally generated intangible assets.

6. Intangible Assets (Contd.)

Depreciation/Amortisation - Continuing Operations:

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
Depreciation on tangible assets	608.48	595.03
Depreciation on Right of Use assets	39.78	Nil
Amortisation on intangible assets	37.49	37.67
Total	**685.75**	**632.70**

7. Non-current Investments

	As at 31st March, 2020	As at 31st March, 2019	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2020	As at 31st March, 2019
	Quantity	Quantity		₹ crore	₹ 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.	1,10,99,630	1,10,99,630	10	11.07	11.07
				11.07	**11.07**
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
Coastal Gujarat Power Ltd. (Refer Note 7 below)	800,04,20,000	800,04,20,000	10	8,593.25**	8,593.25**
Bhira Investments Pte. Ltd.	10,00,000	10,00,000	USD 1	4.10	4.10
Bhivpuri Investments Ltd.	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.	12,91,53,344	12,91,53,344	USD 1	607.95	607.95
Tata Power Delhi Distribution Ltd.	28,15,20,000	28,15,20,000	10	200.93	200.93
TP Ajmer Distribution Ltd.	10,000	10,000	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. (formerly Industrial Power Utility Ltd.)	1,10,000	1,10,000	10	0.11	0.11
TCL Ceramics Ltd. (formerly Tata Ceramics Ltd.) (Refer Note 6 below)	Nil	Nil	2	Nil *	Nil *
Tata Power Renewable Energy Ltd. (Refer Note 7 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.	6,77,30,650	6,77,30,650	USD 1	577.55**	577.55**
Af-Taab Investment Co. Ltd.	10,73,000	10,73,000	100	68.68	68.68
				12,860.85	**12,860.85**
** *Less:* Impairment in the value of Investments (Refer Note 10 below)				4,009.14	4,140.60
				8,851.71	**8,720.25**
Carried forward…….				8,862.78	8,731.32

7. Non-current Investments (Contd.)

	As at 31st March, 2020 Quantity	As at 31st March, 2019 Quantity	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Brought forward…….				8,862.78	8,731.32
(ii) Investment in Perpetual Securities					
Unquoted					
Tata Power Renewable Energy Ltd. (Refer Note 5 below)	N.A.	N.A.		3,895.00	3,895.00
Coastal Gujarat Power Ltd. (Refer Note 5 below)	N.A.	N.A.		7,035.89	6,985.89
				10,930.89	**10,880.89**
				19,793.67	**19,612.21**
(B) Investment in Associates					
Investment in Equity Shares fully Paid-up					
Quoted					
Tata Communications Ltd.	Nil	Nil	10	Nil	Nil *
Unquoted					
Yashmun Engineers Ltd.	19,200	19,200	100	0.01	0.01
The Associated Building Co. Ltd.	1,400	1,400	900	0.13	0.13
Tata Projects Ltd. (Refer Note 8 below)	9,67,500	Nil	100	85.01	Nil *
Dagachhu Hydro Power Corporation Ltd.	10,74,320	10,74,320	Nu 1,000	107.43	107.43
Panatone Finvest Ltd.	Nil	Nil	10	Nil	Nil *
				192.58	**107.57**
(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 7 below)	Nil	Nil	ZMW 1	Nil*	Nil*
Mandakini Coal Company Ltd. (Refer Note 7 below)	3,93,00,000	3,93,00,000	10	39.30**	39.30**
Powerlinks Transmission Ltd. (Refer Note 7 below)	23,86,80,000	23,86,80,000	10	238.68	238.68
Industrial Energy Ltd. (Refer Note 7 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				67.50	67.50
				756.94	**756.94**
Sub-total I (A) + I (B) + I (C)				**20,743.19**	**20,476.72**
Carried forward…….				20,743.19	20,476.72

7. Non-current Investments (Contd.)

	As at 31st March, 2020 Quantity	As at 31st March, 2019 Quantity	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Brought forward…….				20,743.19	20,476.72
II Investments designated at Fair Value through Other Comprehensive Income (Refer Note 9)					
Investment in Equity Shares fully Paid-up					
Quoted					
Voltas Ltd.	2,33,420	2,33,420	1	11.13	14.63
Tata Consultancy Services Ltd.	766	766	1	0.14	0.15
Tata Teleservices (Maharashtra) Ltd.	Nil	Nil	10	Nil *	Nil*
				11.27	**14.78**
Unquoted					
Tata Services Ltd.	1,112	1,112	1,000	Nil	Nil
Tata Industries Ltd. #	58,28,126	58,28,126	100	102.69	102.69
Tata Sons Pvt. Ltd. #	6,673	6,673	1,000	241.95	241.95
Haldia Petrochemicals Ltd.	2,24,99,999	2,24,99,999	10	56.48	56.48
Tata International Ltd. #	3,500	3,500	1,000	3.75	3.75
Tata Teleservices Ltd.	Nil	Nil	10	Nil *	Nil*
				404.87	**404.87**
				416.14	**419.65**
III Investments carried at Amortised Cost					
(A) Investment in Subsidiaries					
Investment in Preference Shares fully Paid-up					
TCL Ceramics Ltd. (formerly Tata Ceramics Ltd.) (Refer Note 6 below)	Nil	Nil	100	Nil *	Nil*
(B) Government Securities (Unquoted) fully Paid-up				40.00	Nil
(C) Statutory Investments					
Contingencies Reserve Fund Investments					
Government Securities (Unquoted) fully Paid-up				127.87	136.65
Deferred Taxation Liability Fund Investments					
Government Securities (Unquoted) fully Paid-up				Nil	237.75
				127.87	**374.40**
Sub-total III (A) + III (B) + III (C)				**167.87**	**374.40**
Total				**21,327.20**	**21,270.77**

* 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.

7. Non-current Investments (Contd.)

Notes:

1.	Aggregate Market Value of Quoted Investments	161.01	316.07
2.	Aggregate Carrying Value of Quoted Investments	22.34	25.85
3.	Aggregate Carrying Value of Unquoted Investments (Net)	21,304.86	21,244.92
4.	Aggregate amount of impairment in value of Investments	4,076.64	4,208.10

5. The Company has invested in unsecured subordinated perpetual securities issued by Tata Power Renewable Energy Ltd. and Coastal Gujarat Power Ltd., 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'.

6. The Company, along with its subsidiary, has 30.68% shareholding in TCL Ceramics Ltd. (formerly known as Tata Ceramics Ltd.). Further, TCL Ceramics Ltd. has issued Redeemable Cumulative Convertible Preference Shares which have been fully subscribed by the Company and its subsidiaries. As the dividend on the said Preference Shares has remained unpaid for more than two years, the preference shareholders have assumed voting rights along with the equity shareholders. The aggregate voting power (together with voting power on preference shares) with the Company along with its subsidiaries is at 57.07%. As the Company has sufficient dominant voting interest to direct TCL Ceramics Ltd.'s relevant activities, investment in the said Company has been considered as investment in subsidiary.

   Pursuant to the Share Purchase Agreement ('Agreement') dated 4th January, 2020, the Company has transferred its Equity and Preference share to the purchasers as a part of the conditions mentioned in the Agreement subject to final closing. The said shares has been pledged back to the Company by the purchasers till the final closure. As all the conditions related to the closing has not been completed, the Company believes that it still controls TCL Ceramics Ltd. till all the conditions are fulfilled. Hence, no impact of sale of share has been accounted in the Standalone Ind AS financial statements. The impact of the sale on the Company's Standalone Ind AS financial statement will not be significant.

7. 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	31st March, 2020 Nos.	31st March, 2019 Nos.
Coastal Gujarat Power Ltd.	Subsidiary	310,25,44,200	310,25,44,200
Tata Power Renewable Energy Ltd.	Subsidiary	25,81,14,935	25,81,14,935
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

   * Re-classified as Asset Held For Sale (Refer Note 18a).

   Further till previous year, in respect of outstanding borrowings of Tata Power Delhi Distribution Limited (TPDDL), the Company has given an undertaking for non-disposal of equity shares in TPDDL to its lenders. The outstanding borrowings has been repaid during the current year against which the undertaking was given to the lender.

8. During the year ended 31st March, 2020, the Company has reassesed its plan for sale of investment in Tata Projects Ltd. and has reclassified its investment in Tata Projects from Assets held for sale to Investment in Associate.

9. Investments at Fair Value Through Other Comprehensive Income (FVTOCI) reflect investment in quoted and unquoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Company, thus disclosing their fair value change in profit and loss will not reflect the purpose of holding.

7. Non-current Investments (Contd.)

10. (a) The Company holds investments in Coastal Gujarat Power Ltd. (CGPL) (a wholly owned subsidiary of the Company operating 4,000 MW Mundra power plant), 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 CGPL) and Trust Energy Resources Pte. Ltd. (TERPL) (shipping company in Singapore providing freight services for coal shipment to CGPL). All these companies constitute a single cash generating unit (CGU) and form part of same segment due to interdependency of cash flows. CGPL is incurring significant losses 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 has performed the impairment assessment and determined the value in use based on estimated cash flow projections over the life of the assets included in CGU. 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. Cash flow projection of Mines is derived based on estimated coal production considering the renewal of license for operating the Mines. In the past, the Company had recognised an impairment provision of ₹ 3,555 crore in CGU. A reassessment of the assumptions used in estimating the impact of impairment of the cash generating unit (CGU) comprising of Coastal Gujarat Power Ltd. 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 ₹ 1,200 crore of provision for impairment. Considering the significant uncertainties arising from ongoing renegotiation of the Mundra Power Purchase Agreement, as recommended by the High Powered Committee, and the pending renewal of the mining license at the Indonesian coal mines, the Company has not effected such a reversal. The reversal of impairment has not resulted from any significant improvement in the estimated service potential of the concerned CGU.

Key assumptions used for value in use calculation include coal prices, energy prices post the PPA period, 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 mine licenses will be renewed post expiry. 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 10.87% p.a. (31st March, 2019: 10.61% p.a.) and investment in coal mines and related infrastructure companies is 12.68% p.a. (31st March, 2019: 11.06% p.a.).

(b) Tata Power International Pte. Ltd. (TPIPL) (a wholly owned subsidiary of the Company) holds investments in Adjaristsqali Netherlands B.V. (ABV) (a joint venture of TPIPL) operating 187 MW hydro power plant in Georgia. In the past, the Company, in accordance with Ind AS 36 - 'Impairment of Assets' had recognized impairment provision on investment of ₹ 577.55 crore and financial guarantee obligation of ₹ 103.54 crore.

Pursuant to debt restructuring of the ABV, execution of long-term power purchase agreement (PPA) with Government of Georgia, receipt of insurance claims and start of commercial operations during the year ended 31st March, 2020, the Company performed the recoverability assessment and recognised the reversal of ₹ 235.00 crore comprising of reversal of ₹ 103.54 crore towards financial guarantee obligation and reversal of ₹ 131.46 crore towards its investment in TPIPL which has been disclosed as an exceptional item in the statement of profit and loss.

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 covering 3 to 5 year period 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 6.64 % was applied;

8. Trade Receivables

(Unsecured unless otherwise stated)

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Non-current		
Considered Good (Refer Note 39a.)	Nil	185.76
Total	**Nil**	**185.76**
Current		
Considered Good - Secured (Refer Note below)	234.48	216.72
Considered Good	886.82	1,059.18
Credit Impaired	30.09	27.29
	1,151.39	**1,303.19**
Less: Allowance for Doubtful Trade Receivables	42.71	46.75
Total	**1,108.68**	**1,256.44**

Note:
Company holds security deposits of ₹ 234.48 crore (31st March, 2019 - ₹ 216.72 crore) in respect of electricity receivables.

8.1 Trade Receivables

As at 31st March, 2020, ₹ 639.18 crore (31st March, 2019 - ₹ 900.14 crore) is due from Brihanmumbai Electricity Supply & Transport Undertaking, Maharashtra State Electricity Transmission Company Ltd., Tamil Nadu Generation and Distribution Corporation and Tata Steel Ltd. which represents customers owing more than 5% of the total balance of trade receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is not calculated on non current trade receivable on account of dispute. 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 31st March, 2020	As at 31st March, 2019
Within the credit period	0.00%	0.10%
1-90 days past due	0.03%	0.11%
91-182 days past due	0.10%	0.99%
More than 182 days past due	5.92%	9.30%

Age of Receivables	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Within the credit period	550.31	734.72
1-90 days past due	340.41	343.87
91-182 days past due	50.04	30.61
More than 182 days past due	210.63	193.99

Movement in the allowance for doubtful trade receivables	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Balance at the beginning of the year	46.75	36.66
Add: Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses for the year	(4.04)	21.63
Less: Transferred to Assets Classified as Held For Sale (Refer Note 18a.)	Nil	(11.54)
Balance at the end of the year	**42.71**	**46.75**

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 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Non-current - At Amortised Cost		
(i) Security Deposits		
Considered Good	36.59	45.42
Credit Impaired	30.16	27.44
	66.75	**72.86**
Less: Allowance for Doubtful Deposits	30.16	27.44
	36.59	**45.42**
(ii) Loans to Related Parties (Refer Note 41)		
Considered Good	Nil	Nil *
Credit Impaired	55.66	55.52
	55.66	**55.52**
Less: Allowance for Doubtful Loans	55.66	55.52
	Nil	**Nil**
(iii) Other Loans		
Loans to Employees		
Considered Good	5.51	5.93
Total	**42.10**	**51.35**
Current - At Amortised Cost		
(i) Security Deposits		
Considered Good	3.47	1.08
	3.47	**1.08**
(ii) Loans to Related Parties (Refer Note 41)		
Considered Good	546.62	118.12
Credit Impaired	12.00	10.84
	558.62	**128.96**
Less: Allowance for Doubtful Loans	12.00	10.84
	546.62	**118.12**
Total	**550.09**	**119.20**

* Reclassified as Held for Sale. (Refer Note 18a.)

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)	
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Tata Power Renewable Energy Ltd.	Subsidiary	450.00	Nil	450.00	245.00
Coastal Gujarat Power Ltd.	Subsidiary	Nil	53.00	252.00	419.49
Maithon Power Ltd.	Subsidiary	Nil	Nil	200.00	47.04
Tata Power Jamshedpur Distribution Ltd. $	Subsidiary	Nil	Nil	Nil	1.24
TCL Ceramics Ltd. (formerly Tata Ceramics Ltd.) $	Subsidiary	12.00	10.84	17.69	10.84
TP Ajmer Distribution Ltd.	Subsidiary	95.00	25.00	190.00	25.00
Mandakini Coal Company Ltd. $	Joint Venture	54.39	54.25	54.39	54.25
Nelito Systems Ltd. $	Associate	1.27	1.27	1.27	1.27
Indo Rama Renewables Jath Ltd.	Subsidiary	Nil	Nil	Nil	35.00
TP Renewable Microgrid Ltd. (formerly Industrial Power Utility Ltd.)	Subsidiary	1.55	0.05	1.55	0.05
Walwhan Solar MP Ltd.	Subsidiary	Nil	10.00	15.09	10.00
Welspun Renewable Energy Pvt Ltd.	Subsidiary	Nil	30.00	200.00	30.00
Tata Power Green Energy Ltd.	Subsidiary	0.07	0.07	0.07	0.07
Tata Power Trading Company Ltd.	Subsidiary	Nil	Nil	80.00	100.00
Powerlinks Transmission Ltd.	Joint Venture	Nil	Nil	1.00	0.10
Walwhan Solar TN Ltd.	Subsidiary	Nil	Nil	81.00	165.00
Tata Power Solar Systems Ltd.	Subsidiary	Nil	Nil	100.00	Nil
Prayagraj Power Generation Company Ltd.	Joint Venture	Nil	Nil	13.43	Nil
Yashmun Engineers Ltd.	Associate	Nil	Nil	Nil	1.00
		614.28	**184.48**		
Itezhi Tezhi Power Corporation #	Joint Venture	18.59	16.51	18.59	15.56
Total		**632.87**	**200.99**		

Notes:
$ Provided for.
# Reclassified as held for sale (including interest accrued).

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 31st March, 2020	As at 31st March, 2019
	₹ crore	₹ crore
Finance Lease Receivable - Non-current	553.03	554.27
Finance Lease Receivable - Current	31.89	37.58
Total	**584.92**	**591.85**

10.1 Leasing Arrangements

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 ₹ 88.91 crore (31st March, 2019 - ₹ 86.70 crore) as income for finance lease during the year ended 31st March, 2020.

10.2 Amount receivable under Finance Lease

₹ crore

	Minimum Lease Payments as at 31st March, 2020	Minimum Lease Payments as at 31st March, 2019
Less than a year	111.96	108.64
One to two years	108.66	105.97
Two to three years	107.66	105.26
Three to four years	106.57	104.42
Four to five years	105.57	103.47
Total (A)	**540.42**	**527.76**
More than five years (B)	630.10	716.24
Total (A +B)	**1,170.52**	**1,244.00**
Unearned finance income	585.60	652.15
Present Value of Minimum Lease Payments Receivable	**584.92**	**591.85**

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 ₹ 11.16 crore (31st March, 2019 - ₹ 16.16 crore) as rental income for operating lease during the year ended 31st March, 2020.

11. Other Financial Assets - At Amortised Cost

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Non-current		
(i) 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**
(ii) Others		
Unsecured, considered good		
Advance towards Equity (Refer Note 1 below)	178.50	Nil
Balances with Banks:		
In Deposit Accounts (with remaining maturity of more than twelve months) (Refer Note 2 below)	3.14	2.89
Other Advances	41.13	Nil
Total	**222.77**	**2.89**

Notes:

1. Odisha Electricity Regulatory Commission ('OERC') had issued a request for proposal (RFP) for sale of controlling interest in distribution business of Central Electricity Supply Utility of Orissa. The Company had bid for it and has been identified as the successful bidder. As per the requirement of RFP, the Company has deposited ₹ 178.50 crore with OERC. Pending vesting order for the completion of sale, the amount deposited is disclosed as non-current financial assets and will be converted to equity after passing of the vesting order by OERC.
2. Balances with Banks held as Margin Money Deposits against Guarantees.

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Current		
(i) Accruals		
Unsecured, considered good		
Interest Accrued on Inter-corporate/Bank Deposits	0.50	0.39
Interest Accrued on Investments	3.51	6.69
Interest Accrued on Finance Lease Receivable	6.85	6.96
Interest Accrued on Loans to Related Parties	3.09	0.19
Doubtful		
Interest Accrued on Loans to Related Parties	0.55	0.32
Interest Accrued on Inter-corporate Deposits	1.40	1.40
	15.90	**15.95**
Less: Allowance for Doubtful Interest	1.95	1.72
	13.95	**14.23**
(ii) Others		
Unsecured, considered good		
Recoverable from Consumers	221.45	Nil
Dividend Receivable	Nil	81.16
Other Receivables	0.18	0.67
	221.63	**81.83**
Total	**235.58**	**96.06**

12. Non-current Tax Assets

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Advance Income-tax (Net)	135.00	68.65
Total	**135.00**	**68.65**

13. Other Assets

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Non-current		
(i) Capital Advances		
Unsecured, considered good	5.06	17.56
Doubtful	0.12	0.12
	5.18	**17.68**
Less: Allowance for Doubtful Advances	0.12	0.12
	5.06	**17.56**
(ii) Security Deposits		
Unsecured, considered good	Nil	227.00
(iii) Balances with Government Authorities		
Unsecured, considered good		
Advances	0.90	50.10
Amount Paid Under Protest	16.22	16.22
VAT/Sales Tax Receivable	25.73	58.05
	42.85	**124.37**
(iv) Unamortised Premium for Leasehold Land		
Unsecured, considered good	Nil	202.39
(v) Others		
Unsecured, considered good		
Prepaid Expenses	0.89	0.99
Recoverable from Consumers	960.84	404.79
Doubtful	Nil	0.93
	961.73	**406.71**
Less: Allowance for Doubtful Advances	Nil	0.93
	961.73	**405.78**
Total	**1,009.64**	**977.10**

13. Other Assets (Contd.)

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Current		
(i) Balances with Government Authorities		
Unsecured, considered good		
Advances	4.86	12.36
VAT/Sales Tax Receivable	Nil	3.69
Doubtful	0.46	Nil
	5.32	**16.05**
Less: Allowance for Doubtful Advances	0.46	Nil
	4.86	**16.05**
(ii) Unamortised Premium for Leasehold Land		
Unsecured, considered good	Nil	3.24
(iii) Others		
Unsecured, considered good		
Prepaid Expenses	38.58	22.67
Recoverable from Consumers	Nil	787.00
Advances to Vendors	102.07	122.53
Other Advances	0.75	0.62
Doubtful	0.13	0.13
	141.53	**932.95**
Less: Allowance for Doubtful Advances	0.13	0.13
	141.40	**932.82**
Total	**146.26**	**952.11**

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 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Inventories		
(a) Fuel	289.75	253.44
Fuel-in-Transit	60.62	56.97
(b) Stores and Spares (Refer Note 2 below)	133.80	149.19
(c) Loose Tools	0.27	0.35
(d) Others		
Property Under Development	150.57	119.56
Total	**635.01**	**579.51**

Notes:

1. Refer Note 22 for Inventories pledged as security for liabilities.
2. During the year ended 31st March, 2020, the Company has recognised ₹ 6.83 crore (31st March, 2019 - ₹ Nil) as an expense for the write down of unserviceable stores and spares inventory.

15. Current Investments

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Investments carried at Amortised Cost		
Deferred Taxation Liability Fund Investments		
Government Securities (Unquoted)	Nil	42.00
Investments carried at Fair Value through Profit and Loss		
Mutual Funds (Unquoted)	20.00	Nil
Total	**20.00**	**42.00**

Note:

Aggregate Carrying Value of Unquoted Investments.	20.00	42.00

16. Cash and Cash Equivalents - At Amortised Cost

Accounting Policy

Cash and cash equivalents in the balance sheet 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 consist 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 31st March, 2020	As at 31st March, 2019
	₹ crore	₹ crore
(i) Balances with Banks:		
In Current Accounts	158.54	75.94
Cash and Cash Equivalents as per Balance Sheet	**158.54**	**75.94**
Bank Overdraft attributable to Continuing Operations (Refer Note 28)	(1.05)	(2.19)
Cash and Cash Equivalents as per Statement of Cash Flows - Continuing Operations	**157.49**	**73.75**
(i) Balances with Banks:		
In Current Accounts	7.62	6.13
Book Overdraft	(0.02)	(0.02)
Cash and Cash Equivalents as per Statement of Cash Flows - Discontinued Operations	**7.60**	**6.11**
Cash and Cash Equivalents as per Statement of Cash Flows	**165.09**	**79.86**

Reconciliation of Liabilities from Financing Activities

₹ crore

Particulars	As at 1st April, 2019	Cash flows		Reclassified as part of Discontinued Operations	Non-cash Transactions	As at 31st March, 2020
		Proceeds	Repayment			
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	10,720.72	3,403.59	(2,568.35)	28.59	4.80	11,589.35
Current Borrowings (excluding Bank Overdraft)	6,729.61	30,776.85	(31,295.20)	Nil	Nil	6,211.26
Lease liabilities (Refer Note 3.11.1)	225.00	Nil	(11.78)	Nil	65.63	278.85
Total	**17,675.33**	**34,180.44**	**(33,875.33)**	**28.59**	**70.43**	**18,079.46**

₹ crore

Particulars	As at 1st April, 2018	Cash flows		Reclassified as part of Discontinued Operations	Non-cash Transactions	As at 31st March, 2019
		Proceeds	Repayment			
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	12,244.97	3,337.09	(4,729.41)	(135.48)	3.55	10,720.72
Current Borrowings (excluding Bank Overdraft)	4,231.02	22,729.91	(20,231.28)	Nil	(0.04)	6,729.61
Lease liabilities	Nil	Nil	Nil	Nil	Nil	Nil
Total	**16,475.99**	**26,067.00**	**(24,960.69)**	**(135.48)**	**3.51**	**17,450.33**

17. Other Balances with Banks - At Amortised Cost

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
(a) In Deposit Accounts (Refer Note below)	2.00	2.00
(b) In Earmarked Accounts-		
Unpaid Dividend Account	18.40	17.85
Total	**20.40**	**19.85**

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 equipment 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 Ind AS financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Land (Refer Note (i) below)	301.66	309.99
Building and Plant and Equipment (Refer Note (i) and (v) below)	8.67	14.30
Investments carried at Fair Value through Other Comprehensive Income	22.81	38.65
Investments carried at Cost in Associates and Joint Ventures [Refer Note (ii) and (iii) below and 7(8)]	275.75	360.76
Loans and other receivables from Joint Venture (Refer Note (ii) below)	22.74	18.59
Transmission Lines - Capital Work in Progress (Refer Note (iv) below)	127.70	Nil
Assets of Discontinued Operations (Refer Note 18c.)	1,880.07	2,064.30
Total	**2,639.40**	**2,806.59**

Notes:

(i) During the year, the Company has reclassified following assets from held for sale to Property, Plant and Equipment :
  (a) Building at Erangal ₹ 0.23 crore.
  (b) Oil Tankage unit at Trombay (Land ₹ 0.04 crore, Building and Plant and Equipment ₹ 4.68 crore).
  During the year, the Company has classified Helicopter (Book Value ₹ 0.17 crore) from Property, Plant and Equipment to held for sale.

18a. Assets Classified as Held For Sale

During the previous year the Company, has decided to sell/transfer following land and consequently classified as assets held for sale:

(a) Land at Hadapsar ₹ 0.08 crore.
(b) Land at Dehrand ₹ 215.56 crore.
(c) Land at Oil Tankage Unit, Trombay (CTTL) ₹ 0.04 crore.

During the previous year, land at Belgaum (Book value - ₹ 2.90 crore) has also been disposed off.

During the previous year the Company, had decided to sell/transfer following buildings and consequently classified as assets held for sale:

(a) Building at Erangal ₹ 0.23 crore.
(b) Building at Panvel ₹ 0.48 crore.
(c) Building at Peninsula ₹ 8.02 crore.
(d) Building at Metropolitan ₹ Nil.
(e) Building at Oil Tankage Unit, Trombay (CTTL) ₹ 0.13 crore.

(ii) During the previous year, the Company 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.

(iii) During the previous year, the Company sold investments in Panatone Finvest Ltd. (₹ 600.00 crore) and Tata Communications Ltd. (₹ 343.81 crore) (Associate Companies) at the sale value of ₹ 1,542.62 crore and ₹ 614.18 crore respectively, which were classified as Assets Held for Sale. The resultant gain on sale of investments of ₹ 942.62 crore and ₹ 270.37 crore respectively, has been disclosed as an exceptional items in the statement of profit and loss.

(iv) Maharashtra Electricity Regulatory Commission ('MERC') has ordered termination of Vikhroli Transmission Lines project carried out by the Company and decided to invite fresh bids for completion of the project. MERC has also ordered that cost incurred by the Company shall be reimbursed by the successful bidder. Accordingly, the Company reclassified the said project as held for sale.

(v) During the year, the Company sold Metropolitan building at the sale value of ₹ 13.90 crore (Book Value ₹ 0.89 crore) which was classified as held for sale. The resultant gain on sale of land of ₹ 13.01 crore has been disclosed in the Statement of Profit and Loss.

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

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Liabilities of Discontinued Operations (Refer Note 18c.)	1,032.07	966.27
Other Liabilities	4.25	Nil
Total	**1,036.32**	**966.27**

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

During the earlier year, the Company 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, subject to regulatory approvals 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, defence business segment is presented as discontinued operations in the segment note. The date of completion of the transaction is subject to approval by National Company Law Tribunal (NCLT) and such other requisite approvals.

Results of Strategic Engineering Division for the year are presented below

Particulars	For the year ended 31st March, 2020 ₹ crore	For the year ended 31st March, 2019 ₹ crore
Income		
Revenue from Operations	**343.77**	**143.59**
Expenditure		
Cost of Components Consumed	244.22	138.10
Employee Benefits Expense	90.04	110.85
Finance Costs	36.15	36.33
Other Expenses	55.00	50.13
Total Expenses	**425.41**	**335.41**
Profit/(Loss) before tax from Discontinued Operations	**(81.64)**	**(191.82)**

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

Particulars	For the year ended 31st March, 2020 ₹ crore	For the year ended 31st March, 2019 ₹ crore
Impairment Loss on Remeasurement of Fair Value (Refer Note below)	**(361.00)**	**Nil**
Tax Expense/(Income)		
Current Tax/(Credit)	Nil	(71.92)
Deferred Tax	(32.41)	5.94
	(32.41)	**(65.98)**
Profit/(Loss) after tax from Discontinued Operations	**(410.23)**	**(125.84)**
Other Comprehensive Income/(Expense)	0.20	(1.14)
Tax on Other Comprehensive Income	Nil	0.40
Total Comprehensive Income/(Expense)	**(410.03)**	**(126.58)**

Major classes of Assets and Liabilities of Strategic Engineering Division classified as held for sale as at 31st March, 2020 are as follows:

Particulars	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Assets		
Property, Plant and Equipment	382.27	302.06
Capital Work-in-Progress	422.58	418.75
Other Intangible Assets	124.13	123.42
Intangible Assets Under Development	356.71	347.10
Non-current Financial Assets	3.68	3.66
Other Non-current Assets	35.40	74.66
Current Assets		
Inventories	83.30	104.15
Current Financial Assets	663.67	261.96
Other Current Assets	169.33	428.54
Assets Classified as Held For Sale	**2,241.07**	**2,064.30**
Impairment Loss on Remeasurement of Fair Value	(361.00)	Nil
Total Assets Classified as Held For Sale	**1,880.07**	**2,064.30**
Liabilities		
Non-current Liabilities		
Financial Liabilities	594.76	679.31
Provisions	27.68	30.22
Current Liabilities		
Financial Liabilities	258.99	190.00
Provisions	9.76	17.91
Other Current Liabilities	140.88	48.83
Total Liabilities directly associated with Assets Classified as Held For Sale	**1,032.07**	**966.27**
Net Assets directly associated with Discontinued Operations	**848.00**	**1,098.03**

Note:

During the year, the Company has reassessed the fair value of consideration receivable from TASL and has recognised an impairment loss of ₹ 361.00 crore in the Standalone Ind AS 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 achievement/non achievement of milestones as defined in the scheme of arrangement.

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

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
Net Cash Flow from/(used in) Operating Activities	127.80	18.67
Net Cash Flow from/(used in) Investing Activities	(44.99)	(87.35)
Net Cash Flow from/(used in) Financing Activities	(81.32)	72.95
Net Increase/(Decrease) in Cash and Cash Equivalents	**1.49**	**4.27**
Cash and Cash Equivalents as at 1st April (Opening Balance)	**6.11**	**1.84**
Cash and Cash Equivalents as at 31st March (Closing Balance)	**7.60**	**6.11**

1. During the year, the Company has incurred Research and Development expenditure including capital expenditure amounting to ₹ 10.02 crore (31st March, 2019 - ₹ 43.62 crore).
2. Estimated amount of Contracts remaining to be executed on capital account and not provided for is ₹ 66.22 crore (31st March, 2019 - ₹ 55.57 crore).
3. Contingent Liability of excise duty amounts to ₹ 14.28 crore (31st March, 2019 - ₹ 14.28 crore).

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 Ind AS 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.

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

	As at 31st March, 2020	As at 31st March, 2019
	₹ crore	₹ crore
Regulatory Deferral Account - Liability - Current		
Regulatory Liabilities	Nil	Nil
Regulatory Deferral Account - Assets - Non-current		
Regulatory Assets	258.32	999.00
Net Regulatory Assets/(Liabilities)	**258.32**	**999.00**

Rate Regulated Activities

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

MERC Multi Year Tariff Regulations, 2015 ('MYT Regulations'), is applicable for the period beginning from 1st April, 2016 to 31st March, 2020. 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.

19. Regulatory Deferral Account (Contd.)

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

		As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Opening Regulatory Assets (Net of Liabilities)	(A)	999.00	1,310.19
Regulatory Income/(Expenses) during the year			
(i) Power Purchase Cost		2,212.00	2,282.00
(ii) Other expenses as per the terms of Tariff Regulations including Return On Equity		779.00	901.00
(iii) Collected during the year as per approved Tariff		(3,460.00)	(3,382.00)
(iv) Amount Collected in respect of earlier years (Net)		(323.24)	(320.03)
Net Movement in Regulatory Deferral Balances (i + ii + iii + iv)	(B)	**(792.24)**	**(519.03)**
Regulatory Assets/(Liabilities) on carrying cost recognised as revenue	(C)	24.00	29.15
Recovery from Company's Generation Business	(D)	(15.28)	(193.76)
Net Movement in Regulatory Deferral Balances in respect of earlier years (Refer Note below)	(E)	(21.32)	274.26
Regulatory Assets/(Liabilities) on Deferred Tax Expense/(Income)	(F)	162.16	98.19
Regulatory Assets/(Liabilities) on Deferred Tax Expense/(Income) on account of New Tax Regime (Refer Note 35)	(G)	(98.00)	Nil
Closing Regulatory Assets (Net of Liabilities)	(A + B + C + D + E + F + G)	**258.32**	**999.00**

Note:

Pursuant to receipt of true-up tariff order from the Regulatory Commission for the years 2017-18 and 2018-19 (31st March, 2019 - 2014-15 to 2016-17), the Company had recognised net expenditure of ₹ 15.83 crore (31st March, 2019 net income of ₹ 91.95 crore) comprising of a credit of ₹ 5.49 crore (31st March, 2019 - ₹ 274.26 crore) in regulatory income and a charge of ₹ 21.32 crore (31st March, 2019 - ₹ 182.31 crore) to revenue from operations.

20a. Share Capital

	As at 31st March, 2020		As at 31st March, 2019	
	Number	₹ crore	Number	₹ crore
Authorised				
Equity Shares of ₹ 1/- each	350,00,00,000	350.00	350,00,00,000	350.00
Cumulative Redeemable Preference Shares of ₹ 100/- each	2,29,00,000	229.00	2,29,00,000	229.00
		579.00		**579.00**
Issued				
Equity Shares [including 28,32,060 shares (31st March, 2019 - 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]	276,17,00,970	276.17	276,17,00,970	276.17
Subscribed and Paid-up				
Equity Shares fully Paid-up [excluding 28,32,060 shares (31st March, 2019 - 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]	270,47,73,510	270.48	270,47,73,510	270.48
Less: Calls in arrears [including ₹ 0.01 crore (31st March, 2019 - ₹ 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
		270.44		**270.44**
Add: Equity Shares forfeited - Amount paid	16,52,300	0.06	16,52,300	0.06
Total Subscribed and Paid-up Share Capital		**270.50**		**270.50**

20a. Share Capital (Contd.)

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

	As at 31st March, 2020		As at 31st March, 2019	
	Number	₹ crore	Number	₹ crore
Equity Shares				
At the beginning of the year	270,64,25,810	270.50	270,64,25,810	270.50
Issued during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	270,64,25,810	270.50	270,64,25,810	270.50

(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 31st March, 2020		As at 31st March, 2019	
	Number	% Holding	Number	% Holding
Equity Shares of ₹ 1/- each fully paid				
Tata Sons Pvt. Ltd.	95,39,46,984	35.27	83,97,99,682	31.05
Life Insurance Corporation of India	17,15,81,237	6.34	20,97,31,735	7.75
ICICI Prudential Bharat Consumption Funds *	21,83,11,309	8.07	11,38,29,237	4.21
Matthews Pacific Tiger Fund	18,03,16,487	6.67	18,03,16,487	6.67

* Shareholding has been reported based on common Permanent Account Number

20b. Unsecured Perpetual Securities

	As at 31st March, 2020	As at 31st March, 2019
	₹ crore	₹ crore
11.40% Unsecured Perpetual Securities	1,500.00	1,500.00
Add: Movement during the year	Nil	Nil
Total	**1,500.00**	**1,500.00**

In an earlier year, the Company raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities (the "Securities"). These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these Securities are 11.40% with a step up provision if the Securities are not called after 10 years. The distribution on the Securities may be deferred at the option of the Company, if during the six months preceding the relevant distribution payment date, the Company has made no payment on, or redeemed or repurchased, any securities ranking *pari passu* with, or junior to the instrument. As these Securities are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

21. Other Equity

		As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
General Reserve		3,853.98	3,853.98
Securities Premium		5,634.98	5,634.98
Capital Redemption Reserve		1.85	1.85
Capital Reserves		61.66	61.66
Statutory Reserve		660.08	660.08
Debenture Redemption Reserve			
Opening Balance		421.95	1,000.61
Add/(Less):	Amount transferred from/(to) Retained Earnings (Net)	(125.00)	(578.66)
Closing Balance		**296.95**	**421.95**
Retained Earnings (Refer Note 1 below)			
Opening Balance		2,954.12	1,878.99
Add/(Less):	Profit/(Loss) for the year (Refer Note 3.11.2)	148.12	1,768.70
	Transfer from Debenture Redemption Reserve (Net)	125.00	578.66
	Transfer from Equity Instrument through Other Comprehensive Income (Refer Note 3 below)	356.25	(735.49)
	Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	(33.42)	(13.75)
	Payment of Dividend (Refer Note 2 below)	(351.99)	(351.99)
	Distribution on Unsecured Perpetual Securities (Refer Note 3.11.2)	(171.00)	(171.00)
		72.96	**1,075.13**
Closing Balance		**3,027.08**	**2,954.12**
Equity Instruments through Other Comprehensive Income			
Opening Balance		330.48	(374.12)
Add/(Less):	Transfer to Retained Earnings (Refer Note 3 below)	(356.25)	735.49
	Change in Fair Value of Equity Instruments through Other Comprehensive Income	(3.50)	0.17
	Change in Fair Value of Equity Instruments classified as held for sale	(15.84)	(31.05)
	Gain on sale of Investment classified at Fair Value through other Comprehensive Income	Nil	0.01
	Deferred Tax	Nil	(0.02)
Closing Balance		**(45.11)**	**330.48**
Total		**13,491.47**	**13,919.10**

Notes:

1. Includes gain on fair valuation of land which is not available for distribution ₹ 222.31 crore (31st March, 2019 - ₹ 222.31 crore).
2. The shareholders of the Company in their meeting held on 18th June, 2019 approved final dividend of ₹1.30 per share aggregating ₹ 351.99 crore (excluding dividend distribution tax) for the financial year 2018-19. The said dividend was paid to the holders of fully paid equity shares on 20th June, 2019.
3. Represents gain/(loss) on sale of certain investments carried at fair value through other comprehensive income transferred to Retained Earnings.
4. In respect of the year ended 31st March, 2020, the directors have proposed a dividend of ₹ 1.55 per share (31st March, 2019 - ₹ 1.30 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 Standalone Ind AS 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 ₹ 419.68 crore (31st March, 2019 - ₹ 351.99 crore).

21. Other Equity (Contd.)

Nature and purpose of reserves:

General Reserve
General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

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 16th August, 2019, the Company is not required to create Debenture Redemption Reserve (DRR). Accordingly, the Company has not created DRR during the year and 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 Indian law.

Retained Earnings
Retained Earnings are the profits of the Company 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 assets are disposed off.

22. Non-current Borrowings - At Amortised Cost

	As at 31st March, 2020 Non-current	As at 31st March, 2020 Current* Maturities ₹ crore	As at 31st March, 2019 Non-current	As at 31st March, 2019 Current* Maturities ₹ crore
(i) Unsecured				
Redeemable Non-Convertible Debentures				
(a) 10.75% Series 2072	1,494.40	Nil	1,492.31	Nil
(b) 9.00% Series 2025	249.74	Nil	Nil	Nil
(c) 7.99% Series 2024	1,197.21	300.00	1,496.35	Nil
(d) 8.84% Series 2023	749.12	Nil	Nil	Nil
(e) 8.84% Series 2022	499.40	Nil	Nil	Nil
(f) 9.48% Series 2019	Nil	Nil	Nil	500.00
	4,189.87	**300.00**	**2,988.66**	**500.00**
Term Loans from Banks				
(g) ICICI Bank	223.56	337.50	523.55	150.00
(h) Axis Bank	166.58	166.67	333.06	166.67
(i) First Abu Dhabi Bank	132.54	67.00	Nil	Nil
(j) Sumitomo Mitsui Banking Corporation	199.70	100.00	Nil	Nil
	722.38	**671.17**	**856.61**	**316.67**
Deferred Payment Liabilities				
(k) Sales Tax Deferral	2.83	5.67	8.50	8.50
(A)	**4,915.08**	**976.84**	**3,853.77**	**825.17**
(ii) Secured				
Redeemable Non-Convertible Debentures				
(a) 8.85% Series 2028	197.19	16.25	Nil	Nil
(b) 9.15% Series 2025	89.88	16.00	105.86	16.00
(c) 9.15% Series 2025	99.94	25.00	124.90	25.00
(d) 9.40% Series 2022	209.68	Nil	209.63	Nil
	596.69	**57.25**	**440.39**	**41.00**
Term Loans from Banks				
(e) HDFC Bank	1,590.27	74.37	917.81	395.00
(f) ICICI Bank	505.78	150.00	624.76	120.00
(g) Kotak Mahindra Bank	561.77	150.95	712.73	150.93
(h) State Bank of India	1,139.25	118.68	1,234.17	94.94
(i) IDFC Bank	Nil	Nil	623.44	158.75
(j) Axis Bank	516.49	226.66	333.38	166.67
	4,313.56	**720.66**	**4,446.29**	**1,086.29**
Term Loans from Others				
(k) Asian Development Bank	Nil	6.33	6.33	12.67
(l) Indian Renewable Energy Development Agency Ltd.	Nil	2.94	2.94	5.87
	Nil	**9.27**	**9.27**	**18.54**
(B)	**4,910.25**	**787.18**	**4,895.95**	**1,145.83**
Total (A + B)	**9,825.33**	**1,764.02**	**8,749.72**	**1,971.00**

* Amount disclosed under Other Current Financial Liabilities (Refer Note 24)

22. Non-current Borrowings (Contd.)

Security

(i) The Debentures mentioned in (b) have been secured by a charge on movable properties and assets of the Company at Agaswadi and Visapur in Satara District of Maharashtra and Poolavadi in Tirupur District of Tamil Nadu.

(ii) The Debentures mentioned in (c) have been secured by a *pari passu* charge on the assets of the wind farms situated at Samana in Gujarat, Gadag in Karnataka and immovable properties in Jamnagar, Gujarat.

(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 (a), (e), (g), (h), and (j) 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.

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

(vi) The Loans mentioned in (g) is also secured by second charge on all movable fixed assets and current assets.

(vii) The Loans from Asian Development Bank and Indian Renewable Energy Development Agency Limited mentioned in (k) and (l) respectively have been secured by a charge on the movable and immovable properties situated at Khandke, Brahmanvel and Sadawaghapur in Maharashtra including the projects' current and future receivables.

Terms of Repayment

₹ crore

Particulars	Amount Outstanding as at 31st March, 2020	Financial Year						
		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-30	FY 30-31 and onwards
(i) Unsecured - At Amortised Cost								
Redeemable Non-Convertible Debentures								
(a) 10.75% Series 2072 (Refer Note 1 below)	1,500.00	-	-	-	-	-	-	1,500.00
(b) 9.00% Series 2025	250.00	-	-	-	-	250.00	-	-
(c) 7.99% Series 2024	1,500.00	300.00	300.00	300.00	300.00	300.00	-	-
(d) 8.84% Series 2023	750.00	-	-	750.00	-	-	-	-
(e) 8.84% Series 2022	500.00	-	-	500.00	-	-	-	-
Term Loans from Banks (Refer Note 3 below)								
(f) ICICI Bank	562.50	337.50	225.00	-	-	-	-	-
(g) Axis Bank	333.33	166.67	166.66	-	-	-	-	-
(h) First Abu Dhabi Bank	200.00	67.00	67.00	66.00	-	-	-	-
(i) Sumitomo Mitsui Banking Corporation	300.00	100.00	100.00	100.00	-	-	-	-
Deferred Payment Liabilities								
(j) Sales Tax Deferral (Refer Note 2 below)	8.50	5.67	2.83	-	-	-	-	-

22. Non-current Borrowings (Contd.)

₹ crore

Particulars	Amount Outstanding as at 31st March, 2020	Financial Year						
		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-30	FY 30-31 and onwards
(ii) Secured - At Amortised Cost								
Redeemable Non-Convertible Debentures								
(a) 8.85% Series 2028	213.44	16.25	16.25	16.25	16.25	16.25	132.19	-
(b) 9.15% Series 2025	106.00	16.00	16.00	16.00	16.00	16.00	26.00	-
(c) 9.15% Series 2025	125.00	25.00	20.00	20.00	20.00	20.00	20.00	-
(d) 9.40% Series 2022	210.00	-	-	210.00	-	-	-	-
Term Loans from Banks (Refer Note 3 below)								
(e) HDFC Bank	1,667.83	74.38	140.00	140.00	140.00	140.00	717.82	315.63
(f) ICICI Bank	660.00	150.00	120.00	150.00	240.00	-	-	-
(g) Kotak Mahindra Bank	712.72	150.94	150.94	50.94	50.94	50.94	258.02	-
(h) State Bank of India	1,257.91	118.67	94.94	94.94	189.98	381.17	378.21	-
(i) Axis Bank	743.32	226.67	226.65	60.00	130.00	100.00	-	-
Term Loans from Others (Refer Note 3 below)								
(j) Asian Development Bank	6.34	6.34	-	-	-	-	-	-
(k) Indian Renewable Energy Development Agency Ltd.	2.93	2.93	-	-	-	-	-	-
	11,609.82	**1,764.02**	**1,646.27**	**2,474.13**	**1,103.17**	**1,274.36**	**1,532.24**	**1,815.63**
Less: Impact of recognition of borrowing at amortised cost using effective interest method.	20.47							
	11,589.35							

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. 21st August, 2072. The Company has the call option to redeem the same at the end of 10 years viz. 21st August, 2022 and at the end of every year thereafter.
2. Sales Tax Deferral is repayable in 150 installments commencing from April, 2013 and repayable in full by March, 2022.
3. The rate of interest for term loans from banks ranges from 7.25% to 9.25% and rate of interest for term loans from others is 9.36%.

23. Lease Liabilities

Accounting Policy for leases from 1st April, 2019

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) Right-of-use Assets

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
- Leasehold land including Sub-surface rights - 2 to 25 years

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment'.

ii) 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 generally 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.

iii) 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 terms between 2 and 25 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

₹ crore

Amount recognised in the Statement of Profit and Loss	For the year ended 31st March, 2020
Depreciation of Right-of-use assets	39.78
Interest on lease liabilities	17.56
Expenses related to short term leases	29.07
Expenses related to leases of low value assets, excluding short term leases of low value assets	0.38

Refer Note 5A for additions to Right-Of-Use Assets and the carrying amount of Right-Of-Use Assets as at 31st March, 2020. Further, Refer Note 42.4.3 for maturity analysis of lease liabilities.

23. Lease Liabilities (Contd.)

Amount as per the Statement of Cash Flows	₹ crore For the year ended 31st March, 2020
Total cash outflow of leases	29.34

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Non-current		
(i) Lease Liabilities	237.03	Nil
Total	**237.03**	**Nil**
Current		
(i) Lease Liabilities	41.82	Nil
Total	**41.82**	**Nil**

24. Other Financial Liabilities - At Amortised Cost

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Non-current		
(a) Security Deposits from Customers	9.48	33.53
(b) Guarantee Commission Obligation	5.12	9.23
Total	**14.60**	**42.76**
Current		
(a) Current Maturities of Non-current Borrowings (Refer Note 22)	1,764.02	1,971.00
(b) Interest accrued but not due on Borrowings	202.23	189.09
(c) Interest accrued but not due on Borrowings from Related Party	Nil	0.38
(d) Investor Education and Protection Fund shall be credited by the following amounts namely: **		
Unpaid Dividend	22.56	22.01
Unpaid Matured Deposits	Nil	0.03
Unpaid Matured Debentures	0.09	0.09
(e) Other Payables		
Payables for capital supplies and services	350.18	252.33
Security deposits from electricity consumers	234.48	216.72
Security deposits from others	6.74	6.47
Financial Guarantee Obligation towards lenders of Jointly Controlled Entity [Refer Note 7(10)(b)]	Nil	103.74
Other Financial Liabilities	41.32	133.57
Total	**2,621.62**	**2,895.43**

** Includes amounts outstanding aggregating ₹ 1.48 crore (31st March, 2019 - ₹ 1.25 crore) for more than seven years pending disputes and legal cases.

25. Deferred Tax Liabilities (Net)

(Refer Note 35)

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Deferred Tax Assets	940.99	1,024.21
Deferred Tax Liabilities	1,248.24	1,607.70
Net Deferred Tax Liabilities	**307.25**	**583.49**

26. 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.

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, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in 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.

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 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.

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.

26. Provisions (Contd.)

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 Company in respect of services provided by employees up to the reporting date.

	As at 31st March, 2020	As at 31st March, 2019
	₹ crore	₹ crore
Non-current		
Provision for Employee Benefits		
Compensated Absences	87.99	80.71
Post-Employment Medical Benefits [Refer Note 26 (2.1) and (2.3)]	59.12	45.81
Other Defined Benefit Plans [Refer Note 26 (2.1) and (2.3)]	63.49	48.99
Other Employee Benefits	11.86	20.04
Total	**222.46**	**195.55**
Current		
Provision for Employee Benefits		
Compensated Absences	6.17	5.00
Post-Employment Medical Benefits [Refer Note 26 (2.1) and (2.3)]	2.09	1.80
Other Defined Benefit Plans [Refer Note 26 (2.1) and (2.3)]	53.21	6.09
Other Employee Benefits	0.55	1.85
Total	**62.02**	**14.74**

Employee Benefit Plans

1. Defined Contribution plan

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 ₹ 9.32 crore (31st March, 2019 - ₹ 9.19 crore) for superannuation contribution in the Statement of Profit and Loss. The said amount is excluding of amounts recognised by the Strategic Engineering Division (SED) (Discontinued operations). The contribution payable to the plan by the Company is at rates specified in the rules of the scheme.

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

26. Provisions (Contd.)

specified under the law are paid to the provident fund set up as a trust by the Company. The 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 Company expects shortfall of ₹ 10.52 crore which has been provided as an expenditure during the year.

In terms of guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined the short fall of ₹ 10.52 crore as at 31st March, 2020 (31st March, 2019 - ₹ 8.27 crore)

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

Particulars	31st March, 2020	31st March, 2019
Interest rate	8.50% p.a.	8.65% p.a.
Discount rate	6.50% p.a.	7.40% p.a.
Contribution during the year (₹ crore)	21.15	19.18
Short fall provided as expenditure for the year (₹ crore)	10.52	8.27

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, 2018	**711.19**	**710.60**	**0.59**
Current service cost	20.75	Nil	20.75
Interest Cost/(Income)	57.37	50.70	6.67
Amount recognised in Statement of Profit and Loss	**78.12**	**50.70**	**27.42**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	10.83	(10.83)
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil	Nil	Nil
Actuarial (gains)/losses arising from changes in financial assumptions	4.46	Nil	4.46
Actuarial (gains)/losses arising from experience	6.37	Nil	6.37
Amount recognised in Other Comprehensive Income	**10.83**	**10.83**	**Nil**
Employer contribution	Nil	19.74	(19.74)
Employee contribution	44.89	44.89	Nil
Benefits paid	(90.53)	(90.53)	Nil
Acquisitions credit/(cost)	5.81	5.81	Nil
Balance as at 31st March, 2019	**760.31**	**752.04**	**8.27**
Balance as at 31st March, 2019	**760.31**	**752.04**	**8.27**
Current service cost	22.02	Nil	22.02
Interest Cost/(Income)	56.34	57.21	(0.87)
Amount recognised in Statement of Profit and Loss	**78.36**	**57.21**	**21.15**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	(40.00)	40.00
Actuarial (gains)/losses arising from changes in demographic assumptions	(1.59)	Nil	(1.59)
Actuarial (gains)/losses arising from changes in financial assumptions	(3.30)	Nil	(3.30)
Actuarial (gains)/losses arising from experience	13.84	Nil	13.84

26. Provisions (Contd.)

Funded Plan:	Present value of obligation	Fair value of plan assets	Net Amount
	₹ crore	₹ crore	₹ crore
Amount recognised in Other Comprehensive Income	**8.95**	**(40.00)**	**48.95**
Employer contribution	Nil	21.13	(21.13)
Employee contribution	49.34	49.34	Nil
Benefits paid	(98.17)	(98.17)	Nil
Acquisitions credit/(cost)	8.97	8.97	Nil
Balance as at 31st March, 2020	**807.76**	**750.52**	**57.24**

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 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 regulations. The funds are deployed in recognised insurer managed funds in India.

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

Valuation as at	31st March, 2020	31st March, 2019
Discount Rate	6.50% p.a.	7.40% p.a.
Salary Growth Rate		
- Management	7% p.a.	7% p.a.
- Non-Management	5% p.a.	5% p.a.
Turnover Rate - Age 21 to 44 years		
- Management	6% p.a.	2.50% p.a.
- Non-Management	0.50% p.a.	0.50% p.a.
Turnover Rate - Age 45 years and above		
- Management	2% p.a.	1% p.a.
- Non-Management	0.50% p.a.	0.50% p.a.
Pension Increase Rate	3% p.a.	3% 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.

26. Provisions (Contd.)

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

Funded Plan:	Present value of obligation	Fair value of plan assets	Net Amount
	₹ crore	₹ crore	₹ crore
Balance as at 1st April, 2018	**237.80**	**(264.21)**	**(26.41)**
Current service cost	15.04	Nil	15.04
Interest Cost/(Income)	18.24	(20.34)	(2.10)
Less: Amount recognised in Statement of Profit and Loss - Discontinued Operations	(0.58)	Nil	(0.58)
Amount recognised in Statement of Profit and Loss - Continuing Operations	**32.70**	**(20.34)**	**12.36**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	4.26	4.26
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil	Nil	Nil
Actuarial (gains)/losses arising from changes in financial assumptions	5.79	Nil	5.79
Actuarial (gains)/losses arising from experience	15.97	Nil	15.97
Add/(Less): Amount recognised in Other Comprehensive Income - Discontinued Operations	Nil	Nil	Nil
Amount recognised in Other Comprehensive Income	**21.76**	**4.26**	**26.02**
Benefits paid	(30.49)	Nil	(30.49)
Acquisitions credit/(cost)	(1.52)	Nil	(1.52)
Add: Amounts recognised in current year - Discontinued Operations	0.58	Nil	0.58
Balance as at 31st March, 2019	**260.83**	**(280.29)**	**(19.46)**
Balance as at 31st March, 2019 *	260.83	(280.29)	(19.46)
Current service cost	15.80	Nil	15.80
Interest Cost/(Income)	20.72	(20.74)	(0.02)
Less: Amount recognised in Statement of Profit and Loss - Discontinued Operations	1.30	Nil	1.30
Amount recognised in Statement of Profit and Loss - Continuing Operations	**37.82**	**(20.74)**	**17.08**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	(8.32)	(8.32)
Actuarial (gains)/losses arising from changes in demographic assumptions	(2.27)	Nil	(2.27)
Actuarial (gains)/losses arising from changes in financial assumptions	16.61	Nil	16.61
Actuarial (gains)/losses arising from experience	(0.95)	Nil	(0.95)
Less: Amount recognised in Other Comprehensive Income - Discontinued Operations	(0.21)	Nil	(0.21)
Amount recognised in Other Comprehensive Income	**13.18**	**(8.32)**	**4.86**
Benefits paid	(35.80)	Nil	(35.80)
Acquisitions credit/(cost)	(1.05)	Nil	(1.05)
Add: Amounts recognised in current year - Discontinued Operations	(1.08)	Nil	(1.08)
Balance as at 31st March, 2020 *	**273.90**	**(309.35)**	**(35.45)**

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

26. Provisions (Contd.)

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.

Unfunded Plan:	**Amount**
	₹ crore
Balance as at 1st April, 2018	**96.47**
Current service cost	4.16
Past service cost	0.24
Past service cost - Plan amendments	4.58
Interest Cost/(Income)	7.78
Add/(Less): Amount recognised in Statement of Profit and Loss - Discontinued Operations	(0.44)
Amount recognised in Statement of Profit and Loss - Continuing Operations	**16.32**
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil
Actuarial (gains)/losses arising from changes in financial assumptions	3.17
Actuarial (gains)/losses arising from experience	(8.35)
Add/(Less): Amount recognised in Other Comprehensive Income - Discontinued Operations	0.30
Amount recognised in Other Comprehensive Income	**(4.88)**
Benefits paid	(2.85)
Acquisitions credit/(cost)	0.05
Add: Amounts recognised in current year - Discontinued Operations	0.44
Less: Transferred to Assets/Liabilities held for sale - Discontinued Operations	(2.86)
Balance as at 31st March, 2019	**102.69**

Balance as at 31st March, 2019	**102.69**
Current service cost	5.24
Past service cost	Nil
Past service cost - Plan amendments	13.21
Interest Cost/(Income)	9.15
Add/(Less): Amount recognised in Statement of Profit and Loss - Discontinued Operations	0.07
Amount recognised in Statement of Profit and Loss - Continuing Operations	**27.67**

26. Provisions (Contd.)

Unfunded Plan:	Amount ₹ crore
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in demographic assumptions	(4.31)
Actuarial (gains)/losses arising from changes in financial assumptions	11.36
Actuarial (gains)/losses arising from experience	(9.48)
(Less): Amount recognised in Other Comprehensive Income - Discontinued Operations	0.41
Amount recognised in Other Comprehensive Income	**(2.02)**
Benefits paid	(7.19)
Acquisitions credit/(cost)	Nil
Add: Amounts recognised in current year - Discontinued Operations	(0.48)
Balance as at 31st March, 2020	**120.67**

Employee Benefit Plans

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		
	31st March, 2020	31st March, 2019		31st March, 2020 ₹ crore	31st March, 2019 ₹ crore		31st March, 2020 ₹ crore	31st March, 2019 ₹ crore
Discount rate	0.50%	0.50%	Decrease by	15.83	15.23	Increase by	17.19	16.51
Salary/Pension growth rate	0.50%	0.50%	Increase by	11.32	11.91	Decrease by	10.70	11.22
Mortality rates	1 year	1 year	Decrease by	5.43	4.09	Increase by	5.35	4.00
Healthcare cost	0.50%	0.50%	Increase by	4.81	3.59	Decrease by	4.30	3.22

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.

26. Provisions (Contd.)

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

	Funded - Provident Fund		Funded - Gratuity		Unfunded	
	31st March, 2020 ₹ crore	31st March, 2019 ₹ crore	31st March, 2020 ₹ crore	31st March, 2019 ₹ crore	31st March, 2020 ₹ crore	31st March, 2019 ₹ crore
Within 1 year	67.02	53.15	20.87	21.75	8.85	8.58
Between 1 - 2 years	105.84	81.42	33.66	32.76	9.08	9.07
Between 2 - 3 years	96.20	85.81	32.08	34.02	9.16	9.11
Between 3 - 4 years	85.16	80.45	30.55	31.99	9.29	9.21
Between 4 - 5 years	84.05	71.29	34.41	31.86	9.15	9.41
Beyond 5 years	413.74	365.06	167.80	176.73	65.39	50.58

The weighted average duration of the defined benefit obligation is 7.4 years (31st March, 2019 - 8.1 years).

The contribution expected to be made by the Company during the financial year 2020-21 is ₹ 23.01 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:

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 31st March, 2020		As at 31st March, 2019		As at 31st March, 2020		As at 31st March, 2019	
	₹ crore	%	₹ crore	%	₹ crore	%	₹ crore	%
Quoted								
Equity Instruments	30.02	4%	13.57	2%	58.78	19%	56.07	20%
Debt Instruments	195.14	26%	276.99	37%	129.93	42%	60.07	21%
Government Securities	405.28	54%	339.32	45%	89.70	29%	103.77	37%
Others								
Cash & Cash Equivalents	120.08	16%	122.16	16%	30.94	10%	60.38	22%
	750.52	**100%**	**752.04**	**100%**	**309.35**	**100%**	**280.29**	**100%**

27. Other Liabilities

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Non-current		
Consumers' Benefit Account (Refer Note 39a.)	Nil	21.94
Deferred Revenue - Service Line Contributions from Consumers	115.91	116.87
Deferred Rent Liability	45.43	44.73
Total	**161.34**	**183.54**
Current		
Statutory Liabilities	121.97	156.79
Advance from Customers/Public Utilities	149.68	117.16
Statutory Consumer Reserves (Refer Note 39a.)	168.00	561.76
Liabilities towards Consumers	60.76	11.50
Other Liabilities	2.46	1.91
Total	**502.87**	**849.12**

28. Current Borrowings - At Amortised Cost

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Unsecured		
From Banks		
(a) Term Loans		
(i) Repayable on Demand	500.00	800.00
(ii) Others	90.00	200.00
(b) Bank Overdraft - Repayable on Demand	1.05	2.19
From Related Parties	105.45	Nil
From Others		
Commercial Paper [maximum amount outstanding during the year is ₹ 6,700 crore (31st March, 2019 - ₹ 6,550 crore)]	5,455.81	5,729.61
	6,152.31	**6,731.80**
Secured		
From Banks		
(a) Term Loans	60.00	Nil
	60.00	**Nil**
Total	**6,212.31**	**6,731.80**

Notes:

1. The rate of interest for term loans from banks ranges from 8.00% to 9.40% and loan from others ranges from 5.56% to 8.04%.
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.

29. Current Tax Liabilities

	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Income Tax Payable (Net)	107.67	107.67
Total	**107.67**	**107.67**

30. 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)
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 (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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) Consumers are billed on a monthly basis and are given average credit period of 30 to 45 days for payment. 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 at the rate prescribed by the Power Purchase Agreement on the outstanding balance once the dues are received. 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 realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

(vii) 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 recognizes Deferred tax recoverable/ payable against any Deferred tax expense/ income. The same is included in 'Revenue from Operations' in case of Generation and Transmission Divisions.

30. Revenue from Operations (Contd.)

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

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
(a) Revenue from Power Supply and Transmission Charges	6,410.55	6,479.75
Add/(Less): Income to be adjusted in future tariff determination (Net)	(198.98)	255.34
Add/(Less): Income to be adjusted in future tariff determination (Net) in respect of earlier years (Refer Note 19)	5.49	(182.31)
Add/(Less): Deferred Tax Recoverable / (Payable) (Refer Note 3.11.3)	31.41	322.42
	6,248.47	**6,875.20**
(b) Revenue from Power Supply - Assets Under Finance Lease	1,051.27	1,030.64
(c) Project/Operation Management Services	140.71	125.03
(d) Income from Finance Lease	88.91	86.70
(e) Other Operating Revenue		
Rental of Land, Buildings, Plant and Equipment, etc.	12.15	17.14
Income in respect of Services Rendered	97.60	62.72
Amortisation of Service Line Contributions	7.99	7.46
Income from Storage and Terminalling	15.22	15.39
Sale of Fly Ash	1.86	2.21
Sale of Carbon Credits	6.25	3.89
Sale of Renewable Energy Certificates	14.66	0.90
Miscellaneous Revenue	41.30	27.97
	197.03	**137.68**
Total	**7,726.39**	**8,255.25**

Note:

Revenue from operations for the year ended 31st March, 2019 includes Regulatory Assets on Deferred Tax Liability expected to be recovered from customers amounting to ₹ 272.00 crore recognised pursuant to extension of Power Purchase Agreement for its generating plants for five years w.e.f 1st April, 2019.

Details of Revenue from Contract with Customers

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
Total Revenue from Contract with Customers	7,590.18	8,112.09
Add: Cash Discount/Rebates etc.	38.28	37.08
Total Revenue as per Contracted Price	**7,628.46**	**8,149.17**

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 as 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 31st March, 2020, other than those meeting the exclusion criteria mentioned above is ₹ 18.59 crore (31st March, 2019 - ₹ Nil). The Company expects to recognise it as revenue within next one year.

30. Revenue from Operations (Contd.)

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.

Nature of Goods/Services	Revenue from Contracts with Customers		Other than revenue from Contracts with Customers		Total	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Generation of Power - Thermal and Hydro						
Sale of Power	1,588.73	2,344.24	Nil	Nil	1,588.73	2,344.24
Sale of Power from Assets Under Lease	1,051.27	1,030.64	Nil	Nil	1,051.27	1,030.64
Project/Operation Management Services	100.94	109.59	Nil	Nil	100.94	109.59
Income from Finance Lease	Nil	Nil	88.91	86.70	88.91	86.70
Others	21.70	2.21	15.52	31.28	37.22	33.49
Total (A)	**2,762.64**	**3,486.68**	**104.43**	**117.98**	**2,867.07**	**3,604.66**
Generation of Power - Wind and Solar						
Sale of Power	95.24	99.24	Nil	Nil	95.24	99.24
Others	14.64	0.89	8.02	4.65	22.66	5.54
Total (B)	**109.88**	**100.13**	**8.02**	**4.65**	**117.90**	**104.78**
Transmission and Distribution of Power						
Transmission of Power	775.15	661.08	Nil	Nil	775.15	661.08
Distribution of Power	3,789.37	3,770.62	Nil	Nil	3,789.37	3,770.62
Net Movement in Regulatory Deferral Balances	Nil	Nil	(651.40)	(146.58)	(651.40)	(146.58)
Project/Operation Management Services	33.83	13.04	Nil	Nil	33.83	13.04
Others	44.45	5.21	20.76	16.96	65.21	22.17
Total (C)	**4,642.80**	**4,449.95**	**(630.64)**	**(129.62)**	**4,012.16**	**4,320.33**
Others (D)	**30.76**	**34.83**	**Nil**	**Nil**	**30.76**	**34.83**
Unallocable Revenue (E)	**44.10**	**40.50**	**3.00**	**3.57**	**47.10**	**44.07**
Revenue from Continued Operations (A + B + C +D + E)	**7,590.18**	**8,112.09**	**(515.19)**	**(3.42)**	**7,074.99**	**8,108.67**
Revenue from Discontinued Operations	**343.74**	**143.59**	**Nil**	**Nil**	**343.74**	**143.59**

Reconciliation of Revenue	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
Revenue from Continued Operations as per above table	7,074.99	8,108.67
Net Movement in Regulatory Deferral Balances	(651.40)	(146.58)
Total Revenue from Operations	**7,726.39**	**8,255.25**

30. Revenue from Operations (Contd.)

Contract Balances	As at 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Contract Assets		
Recoverable from Consumers		
Non-current	960.84	404.79
Current	Nil	787.00
Total Contract Assets	**960.84**	**1,191.79**
Contract liabilities		
Liabilities towards Consumers		
Current	60.76	11.50
Total Contract Liabilities	**60.76**	**11.50**
Receivables		
Trade Receivables (Gross)	1,151.39	1,488.95
Unbilled Revenue for passage of time	83.41	41.56
Recoverable from Consumers	221.45	Nil
(Less): Allowances for Doubtful Debts	(42.71)	(46.75)
Net Receivables	**1,413.54**	**1,483.76**
Total	**2,435.14**	**2,687.05**

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 31st March, 2020 ₹ crore	As at 31st March, 2019 ₹ crore
Opening Balance			
Recoverable from consumers		1,191.79	812.36
Liabilities towards consumers		(11.50)	(404.22)
	(A)	**1,180.29**	**408.14**
Income to be adjusted in future tariff determination (Net)		(198.98)	255.34
Income to be adjusted in future tariff determination in respect of earlier years (Net)		5.49	(182.31)
Revenue recognised during the year		Nil	100.00
Refund to customers (including Company's distribution business)		48.87	288.70
Deferred tax recoverable/(payable)		31.41	322.42
Deferred tax recoverable/(payable) on account of New Tax Regime [Refer Note 35(i)]		(167.00)	Nil
Others		Nil	(12.00)
	(B)	**(280.21)**	**772.15**
Closing Balance			
Recoverable from consumers		960.84	1,191.79
Liabilities towards consumers		(60.76)	(11.50)
	(A + B)	**900.08**	**1,180.29**

31. 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 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
(a) Interest Income		
(i) On Financial Assets carried at Amortised Cost		
Interest on Banks Deposits	4.82	2.73
Interest on Overdue Trade Receivables	65.69	2.93
Interest on Non-current Investment - Contingency Reserve Fund	9.90	10.42
Interest on Non-current Investment - Deferred Tax Liability Fund	7.53	20.40
Interest on Financial Assets - Subsidiaries	18.58	44.39
Other Interest	Nil	4.01
	106.52	**84.88**
(ii) Interest on income-tax Refund	13.03	Nil
	119.55	**84.88**
(b) Dividend Income		
From Non-current Investments		
Subsidiaries	267.18	283.40
Joint Ventures	85.09	85.40
Associates	9.68	9.68
Others - Equity Investments Designated as FVTOCI	6.86	5.43
	368.81	**383.91**
(c) Gain/(Loss) on Investments		
Gain on Sale/Fair Value of current investment measured at FVTPL	13.41	6.29
Gain on Sale of Investment in non-current investment measured at Amortised cost	9.06	0.88
	22.47	**7.17**
(d) Other Non-operating Income		
Guarantee Commission from Subsidiaries and Joint Ventures (Refer Note below)	60.63	20.95
Gain/(Loss) on Disposal of Property, Plant and Equipment (Net)	3.52	12.72
Delayed Payment Charges	6.61	6.34
Other Income	1.03	0.38
	71.79	**40.39**
Total	**582.62**	**516.35**

Note:

During the year, pursuant to Advance Pricing Agreement with Income Tax Department, the Company has recognised guarantee commission income of ₹ 38.30 crore from its subsidiaries and joint ventures pertaining to earlier years.

32. Employee Benefits Expense

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
Salaries and Wages	468.42	500.72
Contribution to Provident Fund	21.15	27.42
Contribution to Superannuation Fund	9.32	9.19
Retiring Gratuities	17.08	12.36
Compensated Absences	24.96	22.15
Pension Scheme	10.78	13.23
Staff Welfare Expenses	93.58	88.51
	645.29	**673.58**
Less:		
Employee Cost Capitalised	24.59	26.96
Employee Cost Inventorised	9.99	9.05
	34.58	**36.01**
Total	**610.71**	**637.57**

33. 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 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
(a) Interest Expense:		
On Borrowings - At Amortised Cost		
Interest on Debentures	412.38	458.37
Interest on Loans - Banks, Financial Institutions and Commercial Papers	1,049.22	923.21
Interest on Loans - Subsidiaries	4.91	3.98
Others		
Interest on Consumer Security Deposits - At Amortised cost	21.99	20.12
Interest on Lease Liabilities - At Amortised cost	17.56	Nil
Other Interest and Commitment Charges (Refer Note 39b.)	0.48	92.53
	1,506.54	**1,498.21**
Less: Interest Capitalised	16.44	22.21
	1,490.10	**1,476.00**
(b) Other Borrowing Costs:		
Other Finance Costs	20.28	21.64
Foreign Exchange Loss/(Gain) on Borrowings (Net)	Nil	2.71
	20.28	**24.35**
Total	**1,510.38**	**1,500.35**

Note:

The weighted average capitalisation rate on the Company's general borrowings is 8.23 % p.a. (31st March, 2019 - 8.63 % p.a.).

34. Other Expenses

	For the year ended 31st March, 2020 ₹ crore	For the year ended 31st March, 2019 ₹ crore
Consumption of Stores and Oil	36.61	23.58
Rental of Land, Buildings, Plant and Equipment	3.89	29.62
Repairs and Maintenance -		
(i) To Buildings and Civil Works	96.09	81.52
(ii) To Machinery and Hydraulic Works	211.60	200.26
(iii) To Furniture and Vehicles	4.63	4.15
	312.32	285.93
Rates and Taxes	67.62	52.71
Insurance	29.37	21.48
Other Operation Expenses	86.58	106.10
Ash Disposal Expenses	16.84	13.42
Travelling and Conveyance Expenses	18.60	22.56
Consultants' Fees	10.38	19.65
Auditors' Remuneration [Refer Note (i) below]	5.14	5.09
Cost of Services Procured	93.71	106.24
Bad Debts	6.05	Nil
Net Loss on Foreign Exchange	10.59	11.40
Allowance for Doubtful Debts and Advances (Net)	(0.19)	19.11
Donations [Refer Note (iii) below]	Nil	20.00
Legal Charges	21.61	24.93
Corporate Social Responsibility Expenses [Refer Note (ii) below]	3.80	12.66
Transfer to Statutory Consumer Reserve	17.00	16.00
Miscellaneous Expenses	16.77	11.39
Total	**756.69**	**801.87**

(i) Payment to the auditors

	For the year ended 31st March, 2020 ₹ crore	For the year ended 31st March, 2019 ₹ crore
For Statutory Audit	3.54	3.54
For Taxation Matters	0.12	0.13
For Other Services	0.55	0.48
For Reimbursement of Expenses	0.15	0.22
Goods and Service Tax on above	0.78	0.72
Total	**5.14**	**5.09**

(ii) Corporate Social Responsibility Expenses

	For the year ended 31st March, 2020 ₹ crore	For the year ended 31st March, 2019 ₹ crore
Contribution to Tata Power Community Development Trust	3.16	12.05
Expenses incurred by the Company	0.64	0.61
Total	**3.80**	**12.66**

34. Other Expenses (Contd.)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore	₹ crore
Amount required to be spent as per section 135 of the Act	3.04	12.65
Amount spent during the year on:		
(a) Construction/Acquisition of asset	Nil	Nil
(b) On purposes other than (a) above	3.80	12.66

(iii) Donation

Donation of ₹ Nil was given to Progressive Electoral Trust (31st March, 2019 - ₹ 20.00 crore).

35. 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 relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (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 Ind AS 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. Accordingly, MAT is recognised as deferred tax asset in the balance sheet.

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.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax 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 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.

35. Income taxes (Contd.)

(i) Income Tax Expenses

1. Income taxes recognised in the statement of profit and loss (Continuing Operations)

	31st March, 2020	31st March, 2019
	₹ crore	₹ crore
Current tax	18.61	110.88
Deferred tax	73.08	331.58
Deferred tax relating to earlier years	(24.51)	10.00
Remeasurement of Deferred Tax on account of New Tax Regime (Net) (Refer Note below)	(275.00)	Nil
Total income tax expense	**(207.82)**	**452.46**

Note:

Pursuant to the Taxation Laws (Amendment) Act, 2019 which is effective from 1st April, 2019, domestic companies have the option to pay income tax at 22% plus applicable surcharge and cess ('New Tax Regime') subject to certain conditions. Based on the Company's assessment of the expected year of transition to the New Tax Regime, the Company has remeasured the deferred tax liabilities and also reassessed the recoverability of Minimum Alternate Tax ('MAT'). Accordingly, the Company has recognised deferred tax income of ₹ 275.00 crore after adjusting the MAT credit write off. Further, the Company has also remeasured its regulatory asset balance against deferred tax liabilities and has recognised expense of ₹ 98.00 crore pertaining to distribution business and ₹ 167.00 crore for generation and transmission business.

2. Income taxes recognised in the statement of profit and loss (Discontinued Operations)

	31st March, 2020	31st March, 2019
	₹ crore	₹ crore
Current tax	Nil	(71.92)
Deferred tax	(32.41)	5.94
Total income tax expense	**(32.41)**	**(65.98)**

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

	31st March, 2020	31st March, 2019
	₹ crore	₹ crore
Profit/(Loss) before tax Continuing Operation	350.53	2,347.00
Profit/(Loss) before tax Discontinuing Operation	(442.64)	(191.82)
Profit/(Loss) Before Tax	**(92.11)**	**2,155.18**
Income tax expense (Refer Note 1 below)	(32.19)	753.11
Add/(Less) tax effect on account of :		
Provision for impairment and adjustment of earlier capital loss on sale of investments	122.63	(149.71)
Non-Deductible expenses	88.57	29.87
Reversal of deferred tax during tax holiday period	34.08	41.08
Unrecognised tax credit (MAT) for the current year	15.38	23.27
Remeasurement of deferred tax on account of New Tax Regime (Net)	(275.00)	Nil
Exempt income	(83.27)	(85.74)
Reversal of impairment of non-current investments and related obligations	(82.12)	Nil
True up impact basis income tax return	(24.51)	10.00
Income taxed at lower rate	(3.80)	(9.19)
Income not taxable during tax holiday period	Nil	(19.11)
Tax benefit on interest on perpetual securities recognised in other equity (Refer Note 3.11.2)	Nil	(60.12)
Change in presentation of deferred tax recoverable/payable	Nil	(146.98)
Income tax expenses recognised in statement of profit and loss	**(240.23)**	**386.48**
Tax expense for the Continuing Operations	(207.82)	452.46
Tax expense for the Discontinued Operations	(32.41)	(65.98)
Income tax expense recognised in statement of profit and loss	**(240.23)**	**386.48**

35. Income taxes (Contd.)

Notes:

1. The tax rate used for the years 2019-20 and 2018-19 reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.
2. The rate used for calculation of Deferred tax for 2019-20 is 34.944% and 25.17% for deferred tax expected to be reversed in the New Tax Regime and 34.944% for 2018-19, being statutory enacted rates at Balance Sheet date.

3. Income tax recognised in other comprehensive income

	31st March, 2020	31st March, 2019
	₹ crore	₹ crore
Current Tax		
Remeasurement of defined benefit obligation	(0.77)	(6.99)
	(0.77)	**(6.99)**
Deferred tax		
Remeasurements of defined benefit obligation	(17.40)	Nil
Net fair value gain on investments in equity shares at FVTOCI	Nil	0.02
	(17.40)	**0.02**
Total income tax recognised in other comprehensive income	**(18.17)**	**(6.97)**
Items that will not be reclassified to statement of profit and loss	(18.17)	(6.97)

4. Income tax recognised in other comprehensive income (Discontinuing Operations)

	31st March, 2020	31st March, 2019
	₹ crore	₹ crore
Current Tax		
Remeasurement of defined benefit obligation	Nil	(0.40)
	Nil	**(0.40)**

5. Bifurcation of the total income tax recognised in other comprehensive income into:

	31st March, 2020	31st March, 2019
	₹ crore	₹ crore
Items that will not be reclassified to statement of profit and loss	(18.17)	(7.37)
	(18.17)	**(7.37)**

(ii) Deferred Tax

	As at 31st March, 2020	As at 31st March, 2019
	₹ crore	₹ crore
Deferred Tax Assets	940.99	1,024.21
Deferred Tax Liabilities	1,248.24	1,607.70
Deferred Tax Liabilities (Net)	**307.25**	**583.49**

35. Income taxes (Contd.)

₹ crore

2019-20	Opening balance	Recognised in profit or loss (including discontinued operation)	Recognised in other comprehensive Income (including discontinued operation)	Closing balance
Deferred tax assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	29.24	(2.39)	Nil	26.85
Provision for Employee Benefits and Others	51.84	(2.87)	17.40	66.37
Minimum Alternate Tax Credit	517.51	(80.00)	Nil	437.51
Capital loss on sale of investments and indexation benefit available on investments	425.62	(45.65)	Nil	379.97
Lease Liability	Nil	12.40	Nil	12.40
Business Loss or Unabsorbed Depreciation	Nil	17.89	Nil	17.89
	1,024.21	**(100.62)**	**17.40**	**940.99**
Deferred tax liabilities in relation to				
Property, Plant and Equipment (including finance leases)	1,578.04	(344.56)	Nil	1,233.48
Right of use asset	Nil	10.00	Nil	10.00
Others	29.66	(24.90)	Nil	4.76
	1,607.70	**(359.46)**	**Nil**	**1,248.24**
Deferred Tax Liabilities (Net)	**583.49**	**(258.84)**	**(17.40)**	**307.25**

₹ crore

2018-19	Opening balance	Recognised in profit or loss (including discontinued operation)	Recognised in other comprehensive Income (including discontinued operation)	Closing balance
Deferred tax assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	23.96	5.28	Nil	29.24
Provision for Employee Benefits and Others	60.92	(9.08)	Nil	51.84
Minimum Alternate Tax Credit	517.51	Nil	Nil	517.51
Capital loss on sale of investments and indexation benefit available on investments	708.02	(282.40)	Nil	425.62
	1,310.41	**(286.20)**	**Nil**	**1,024.21**
Deferred tax liabilities in relation to				
Property, Plant and Equipment (including finance leases)	1,516.72	61.32	Nil	1,578.04
Others	29.68	Nil	(0.02)	29.66
	1,546.40	**61.32**	**(0.02)**	**1,607.70**
Deferred Tax Liabilities (Net)	**235.99**	**347.52**	**(0.02)**	**583.49**

Notes:

1. During the year ended 31st March, 2020, the management has reassessed the recoverability of unrecognised MAT credit and MAT credit amounting to ₹ 97.52 crore (31st March, 2019 - ₹149.19 crore) has not been recognised.

2. Considering the uncertainity over the realisibility, the Company has not recognized deferred tax asset to the extent of ₹ 360.17 crore (31st March, 2019 - ₹ 306.94 crore) on capital loss on sale of investments and indexation benefits on investments classified as asset held for sale.

3. The expiry of unrecognised deferred tax asset is as detailed below:

₹ crore

As at 31st March, 2020 Unrecognised deferred tax assets	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Closing balance
Capital Loss on sale of investment and indexation benefit	Nil	Nil	360.17	Nil	360.17
MAT credit	Nil	Nil	97.52	Nil	97.52
Total	**Nil**	**Nil**	**457.69**	**Nil**	**457.69**

35. Income taxes (Contd.)

₹ crore

As at 31st March, 2019 Unrecognised deferred tax assets	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Closing balance
Capital Loss on sale of investment and indexation benefit	Nil	Nil	306.94	Nil	306.94
MAT credit	Nil	Nil	149.19	Nil	149.19
Total	Nil	Nil	456.13	Nil	456.13

36.

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:

₹ crore

	31st March, 2020 ₹ crore	31st March, 2019 ₹ crore
(a) Principal amount remaining unpaid	7.72	3.96
(b) Interest due thereon@	Nil	Nil
(c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day@	Nil	Nil
(d) The amount of Interest due and payable for the year@	Nil	Nil
(e) The amount of Interest accrued and remaining unpaid@	Nil	Nil
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid@	Nil	Nil

@ Amounts unpaid to Micro and Small Enterprises vendors on account of retention money have not been considered for the purpose of interest calculation.

37. Commitments

	31st March, 2020 ₹ crore	31st March, 2019 ₹ crore
(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for.	413.08	511.07
(b) Other Commitments		
(i) The Company has given an undertaking to the Bankers of Cennergi Pty. Ltd., wherein it would ensure that Cennergi Pty. Ltd. would satisfy its commitment to the Bank.	0.05	0.05

(ii) In terms of the Sponsor Support agreement entered into between the Company, Coastal Gujarat Power Ltd. (CGPL) and INR term lenders (SBI led consortium) of CGPL, the Company has undertaken to provide support by way of base equity contribution to the extent of 25% of CGPL's project cost and additional equity or subordinated loans to be made or arranged for, if required as per the financing agreements to finance the project. The Sponsor Support Agreement also includes support by way of additional financial support for any overrun in project costs, operational loss and Debt Service Reserve Guarantee as provided under the financing agreements. In terms of the conditions of the financing agreements, the Company has provided support through Unsecured Perpetual securities and Equity of ₹ 15,629.14 crore (31st March, 2019 - ₹ 15,579.14 crore) to CGPL.

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

(iv) 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.

(v) In terms of pre-implementation agreement entered into with Government of Himachal Pradesh and the consortium consisting of the Company and SN Power Holding Singapore Pte. Ltd. (Company being the Lead Member of the consortium) for the investigation and implementation of Dugar Hydro Electric Project, the Company has undertaken as Lead Member to undertake/perform various obligations pertaining to Dugar Project.

38. Contingent liabilities

		31st March, 2020 ₹ crore	31st March, 2019 ₹ 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.	375.29	375.29
(ii)	(a) Disallowance of costs recoverable from consumers by Maharashtra Electricity Regulatory Commission in the tariff true up order.	359.85	261.00
	(b) Disallowance of carrying cost and other costs by Appellate Tribunal for Electricity (ATE). The Company has filed Special Leave Petition (SLP) with the Supreme Court.	269.00	269.00
(iii)	Way Leave fees (including interest) claims disputed by the Company relating to rates charged.	43.18	39.18
(iv)	Interest and Penalty pertaining to Custom duty claims disputed by the Company relating to applicability and classification of coal.	34.49	34.49
(v)	Access Charges demand for laying underground cables.	30.14	Nil
(vi)	Rates, Cess, Excise and Custom Duty claims disputed by the Company.	26.63	24.97
(vii)	Compensation disputed by private land owners on private land acquired under the provisions of Maharashtra Industrial Development Act, 1961.	22.00	22.00
(viii)	Octroi claims disputed by the Company in respect of octroi exemption claimed by the Company.	5.03	5.03
(ix)	Other claims against the Company not acknowledged as debts.	34.51	33.59
(x)	Demand towards charges for unscheduled interchange (UI) of power [Refer Note (d) below]	Nil	215.02
		1,200.12	**1,279.57**

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.

	31st March, 2020 ₹ crore	31st March, 2019 ₹ 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) including interest demanded ₹ Nil (31st March, 2019 - ₹ Nil).	50.93	456.61

		31st March, 2020 ₹ crore*	31st March, 2019 ₹ crore
(c)	**Indirect exposures of the Company:**		
	Guarantees given:		
(i)	Coastal Gujarat Power Ltd.	7,544.17	7,836.54
(ii)	Khopoli Investments Ltd.	1,676.21	1,683.52
		(equivalent to USD 221.89 million)	(equivalent to USD 243.42 million)
(iii)	Bhira Investments Pte. Ltd.	1,462.64	1,502.18
		(equivalent to USD 193.62 million)	(equivalent to USD 217.20 million)
(iv)	Trust Energy Resources Pte. Ltd.	348.31	624.53
		(equivalent to USD 46.11 million)	(equivalent to USD 90.30 million)
(v)	Energy Eastern Pte. Ltd.	Nil	408.05
		(equivalent to USD Nil)	(equivalent to USD 59.00 million)

38. Contingent liabilities (Contd.)

		31st March, 2020	31st March, 2019
		₹ crore*	₹ crore
(vi)	Tata Power Renewable Energy Ltd.	1,612.53	2,075.00
(vii)	Tata Power Solar Systems Ltd.	Nil	295.92
(viii)	Chirasthaayee Saurya Ltd.	272.12	272.11
(ix)	Walwhan Renewable Energy Ltd.	1,450.51	1,464.99
(x)	Walwhan Solar TN Ltd.	126.56	Nil
(xi)	Walwhan Wind RJ Ltd.	86.03	Nil

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

(d) In the previous year, Maharashtra State Electricity Distribution Company Limited (MSEDCL) had raised a demand of ₹ 215.02 crore for determination of fixed charges for unscheduled interchange of power. The Company had filed a petition against the said demand. During the year, MERC has turned down methodology adopted by MSEDCL for determination of such charges and ordered MSEDCL to submit certain details to Maharashtra State Load Dispatch Centre (MSLDC) to determine the revised charges based on principles suggested in the Order. 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.

(e) The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its financial statement, the company has implemented the changes as per clarifications vide the Apex Court judgement dated 28th February, 2019, with effect from 1st March 2019 i.e., immediate after pronouncement of the judgement, as part of statutory compliance. The company will evaluate its position and act, in case there is any other interpretation of the same issued in future either in form of Social Security Code or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions Act.

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.

39. Other settlement

a. With respect to Standby litigation with Adani Electricity Mumbai Limited (Adani Electricity), the Hon'ble Supreme Court during the year ended 31st March, 2020 has upheld Appellate Tribunal for Electricity (APTEL) order dated 20th December, 2006 directing the Company to pay ₹ 354.00 crore along with the interest at 10% p.a. from 1st April, 2004 till the date of payment. In the past, in accordance with the Hon'ble Supreme Court directives the Company has deposited ₹ 227.00 crore with the Registrar General of the Court which was withdrawn by Adani Electricity on furnishing the required undertaking to the Court. Consequently, the Company has recognized an expense of ₹ 276.35 crore net of amount recoverable from customers including adjustment with consumer reserves.

b. In the earlier years, the Company had received demands in respect of entry tax on imports of fuel for Trombay plant. During the year ended 31st March, 2019, the Company has recognised provision of ₹ 345.00 crore (including interest and provision for contingency of ₹ 78.00 crore and ₹ 45.00 crore respectively) towards settlement of entry tax demands under the Amnesty scheme notified by the Government of Maharastra. Further during the year ended 31st March, 2020, the Company has received final settlement order under the said scheme and pursuant to the said order, the Company has reversed the excess provision related to entry tax under the head 'Cost of Fuel' and corresponding recovery from customers under the head 'Revenue from Operations' amounting to ₹ 68.78 crore.

40. Earnings Per Share

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 Ind AS financial statements by the Board of Directors.

Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
		₹ crore*	₹ crore*
A. EPS - Continuing operations (before net movement in Regulatory Deferral Balances)			
Net Profit/ (Loss) from Continuing Operations (Refer Note 3.11.2)	A	558.35	1,894.54
Net movement in Regulatory Deferral Balances (Refer Note 3.11.3)	B	(651.40)	(146.58)
Remeasurement of Deferred Tax Recoverable on account of New Tax Regime (Net) [Refer Note 35(i)]	C	(98.00)	Nil
Income-tax attributable to Regulatory Deferral Balances (Refer Note 3.11.3)	D	261.87	51.22
Net movement in Regulatory Deferral Balances (Net of tax)	E=(B+C+D)	**(487.53)**	**(95.36)**
Net Profit/ (Loss) (before net movement in Regulatory Deferral Balances)	F=(A-E)	**1,045.88**	**1,989.90**
Less: Distribution on Perpetual Securities (Refer Note 3.11.2)	G	(171.00)	(171.00)
Profit/ (Loss) from Continuing Operations attributable to equity shareholders (before net movement in Regulatory Deferral Balances)	H=(F+G)	**874.88**	**1,818.90**
Weighted average number of equity shares for Basic and Diluted EPS		**270,76,05,570**	**270,76,05,570**
EPS - Continuing Operations (before net movement in Regulatory Deferral Balances)			
- Basic and Diluted (In ₹)		**3.23**	**6.72**
B. EPS - Continuing Operations (after net movement in Regulatory Deferral Balances)			
Net Profit/ (Loss) from Continuing Operations (Refer Note 3.11.2)		558.35	1,894.54
Less: Distribution on Perpetual Securities (Refer Note 3.11.2)		(171.00)	(171.00)
Profit/ (Loss) attributable to equity shareholders (after net movement in Regulatory Deferral Balances)		**387.35**	**1,723.54**
Weighted average number of equity shares for Basic and Diluted EPS		**270,76,05,570**	**270,76,05,570**
EPS - Continuing operations (after net movement in Regulatory Deferral Balances)			
- Basic and Diluted (In ₹)		**1.44**	**6.36**
C. EPS - Discontinued operations			
Net Profit/ (Loss) from Discontinued Operations		**(410.23)**	**(125.84)**
Weighted average number of equity shares for Basic and Diluted EPS		**270,76,05,570**	**270,76,05,570**
EPS - Discontinued Operations			
- Basic and Diluted (In ₹)		**(1.52)**	**(0.46)**

40. Earnings Per Share (Contd.)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ crore*	₹ crore*
D. EPS - Total Operations (after net movement in Regulatory Deferral Balances)		
Net (Loss) / Profit from Total Operations (after net movement in Regulatory Deferral Balances) (Refer Note 3.11.2)	148.12	1,768.70
Less: Distribution on Perpetual Securities (Refer Note 3.11.2)	(171.00)	(171.00)
Net Profit/ (Loss) from Total Operations attributable to equity shareholders (after net movement in Regulatory Deferral Balances)	**(22.88)**	**1,597.70**
Weighted average number of equity shares for Basic and Diluted EPS	**270,76,05,570**	**270,76,05,570**
EPS - Total Operations (after net movement in Regulatory Deferral Balances)		
- Basic and Diluted (In ₹)	**(0.08)**	**5.90**

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

41. 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.
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. **
7) Maithon Power Ltd.
8) Coastal Gujarat Power Ltd.
9) Tata Power Renewable Energy Ltd.
10) TP Renewable Microgrid Ltd. (Formerly Industrial Power Utility Ltd.)
11) Bhira Investments Pte. Ltd. (Formerly Bhira Investments Ltd.)
12) Bhivpuri Investments Ltd.
13) Khopoli Investments Ltd.
14) Tata Power International Pte. Ltd.
15) Trust Energy Resources Pte. Ltd.
16) Energy Eastern Pte. Ltd.** (Merged with Trust Energy Resources Pte. Ltd. w.e.f. 10th June, 2019)
17) NDPL Infra Ltd. **
18) Tata Power Jamshedpur Distribution Ltd.
19) PT Sumber Energi Andalan Tbk **
20) Supa Windfarm Ltd. **
21) TCL Ceramics Ltd. (Formerly Tata Ceramics Ltd.)
22) Nivade Windfarm Ltd. **
23) Poolavadi Windfarm Ltd. **
24) Walwhan Renewable Energy Ltd. **
25) Indo Rama Renewables Jath Ltd. **
26) Walwhan Solar AP Ltd. **
27) Walwhan Urja Anjar Ltd. **
28) Northwest Energy Pvt. Ltd. **
29) Walwhan Solar Raj Ltd. **
30) Dreisatz MySolar24 Pvt. Ltd. **
31) Walwhan Solar Energy GJ Ltd. **
32) Walwhan Energy RJ Ltd. **
33) MI MySolar24 Pvt. Ltd. **
34) Walwhan Solar MH Ltd. **
35) Walwhan Solar MP Ltd. **
36) Walwhan Solar PB Ltd. **
37) Walwhan Solar KA Ltd. **
38) Walwhan Wind RJ Ltd. **
39) Walwhan Solar RJ Ltd. **
40) Walwhan Solar BH Ltd. **
41) Walwhan Solar TN Ltd. **
42) Walwhan Urja India Ltd. **

41. Related Party Disclosures (Contd.)

43) Clean Sustainable Solar Energy Pvt. Ltd. **
44) Chirasthaayee Saurya Ltd. **
45) Solarsys Renewable Energy Pvt. Ltd. **
46) Vagarai Windfarm Ltd. **
47) Nelco Network Products Ltd. **
48) Far Eastern Natural Resources LLC **
49) TP Ajmer Distribution Ltd.
50) Tata Power Delhi Distribution Ltd.
51) TP Solapur Ltd.**
52) TP Kirnali Ltd.**

** 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

1) Tata Projects Ltd.
2) Yashmun Engineers Ltd.
3) The Associated Building Co. Ltd.
4) Dagachhu Hydro Power Corporation Ltd.
5) Tata Communication Ltd. (ceased to be an Associate w.e.f. 28th May, 2018)
6) Panatone Finvest Ltd. (ceased to be an Associate w.e.f. 28th May, 2018)
7) Nelito Systems Ltd (ceased to be an Associate w.e.f. 6th June, 2019)

(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 Baramulti Sukessarana Tbk**
6) PT Antang Gunung Meratus**
7) Adjaristsqali Netherlands BV**
8) PT Kaltim Prima Coal**
9) LTH Milcom Pvt. Ltd.
10) Industrial Energy Ltd.
11) Renascent Power Ventures Pvt. Ltd. **
12) Dugar Hydro Power Ltd.
13) Prayagraj Power Generation Co. Ltd. ** (w.e.f. 12th December, 2019)
14) Cennergi Pty. Ltd. ** (ceased to be JV w.e.f. 31st March, 2020)
15) Adjaristsqali Georgia LLC **

** 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. (ceased to be Subsidiary and became a Joint Venture w.e.f. 27th March, 2019)
4) Tata Communications Ltd. (ceased to be an Associate and became a Subsidiary w.e.f. 28th May, 2018)
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.

41. Related Party Disclosures (Contd.)

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 Projects Provident Fund Trust
19) Tata Capital Financial Services Ltd.
20) Tata AIA Life Insurance Company Ltd.
21) Tata Teleservices (Maharashtra) Ltd.
22) Tata AG, Zug (ceased to be Subsidiary w.e.f. 21st February, 2020)
23) Taj Air Ltd.
24) Tata Teleservices Ltd.
25) Progressive Electoral Trust
26) Tata Advanced System Ltd.
27) Tata Interactive Systems
28) Panatone Finvest Ltd.
29) THDC Management Services Ltd. (Formerly THDC Facility Management Ltd.)
30) Tata Communications Payment Solutions Ltd. (w.e.f. 28th May, 2018)
31) Tata Advanced Materials Ltd. (ceased to be Subsidiary w.e.f. 27th March, 2019)
32) Tata Unistore Ltd. (Formerly Tata Industrial Services Ltd.) (ceased to be a Subsidiary w.e.f. 27th March, 2019)

(d) Key Management Personnel

1) N. Chandrasekaran
2) Praveer Sinha CEO and Managing Director (w.e.f. 1st May, 2018)
3) Banmali Agrawala
4) Saurabh Agrawal
5) Kesava Menon Chandrasekhar
6) Ashok Sinha (w.e.f. 2nd May, 2019)
7) Vibha U. Padalkar
8) Anjali Bansal
9) Sanjay V. Bhandarkar
10) Hemant Bhargava
11) Ramesh N. Subramanyam - Chief Financial Officer
12) Hanoz Minoo Mistry - Company Secretary
13) Deepak M. Satwalekar (ceased to be Director w.e.f. 12th August, 2019)
14) Nawshir H. Mirza (ceased to be Director w.e.f. 12th August, 2019)
15) Ashok Sethi (ceased to be COO and Executive Director w.e.f. 30th April, 2019)
16) Anil Sardana - CEO and Managing Director (ceased to be Director w.e.f. 30th April, 2018)

(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)

(f) Details of Transactions:

₹ crore

Sr. No.	Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel & their relatives	Employee Benefit Funds / Trust	Promoter Group	Promoter
1)	Purchase of goods/power (Net of Discount Received on Prompt Payment)	62.39	-	-	-	-	-	-
		62.80	-	58.74	-	-	0.02	-
2)	Sale of goods/power (Net of Discount on Prompt Payment)	221.60	0.01	-	-	-	33.70	-
		256.84	0.15	-	-	-	69.68	-
3)	Purchase of fixed assets	1.20	12.84	-	-	-	0.22	-
		0.06	9.69	-	-	-	3.01	-
4)	Sale of fixed assets	-	0.05	-	-	-	-	0.07
		0.09	0.08	-	-	-	-	-
5)	Rendering of services	102.33	7.17	39.76	-	-	8.58	1.25
		107.57	0.16	18.09	-	-	10.15	0.98

41. Related Party Disclosures (Contd.)

₹ crore

Sr. No.	Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel & their relatives	Employee Benefit Funds / Trust	Promoter Group	Promoter
6)	Receiving of services	4.03	13.55	0.80	0.01	-	27.02	0.42
		6.98	10.85	0.08	-	-	27.07	0.08
7)	Brand equity contribution	-	-	-	-	-	-	0.87
		-	-	-	-	-	-	-
8)	Contribution to Employee Benefit Plans	-	-	-	-	34.04	-	-
		-	-	-	-	41.14	-	-
9)	Guarantee, collaterals etc. given	5,743.33 $	-	-	-	-	-	-
		7,616.96 $	-	-	-	-	-	-
10)	Guarantee, collaterals etc. cancelled	7,717.53 $	-	-	-	-	-	-
		6,029.09 $	-	-	-	-	-	-
11)	Remuneration paid - short term employee benefits	-	-	-	10.58 *	-	-	-
		-	-	-	23.91 *	-	-	-
12)	Long term employee benefits paid	-	-	-	2.80	-	-	-
		-	-	-	1.15	-	-	-
13)	Short term employee benefits paid	-	-	-	0.68	-	-	-
		-	-	-	0.55	-	-	-
14)	Interest income	18.57	-	0.01	-	-	0.01	-
		44.39	-	0.64	-	-	0.01	-
15)	Interest paid (including distribution on unsecured perpetual securities)	4.91	-	-	-	-	26.52	-
		3.98	-	-	-	-	26.70	-
16)	Dividend income	267.18	9.68	85.09	-	-	0.09	6.67
		283.40	9.68	85.40	-	-	- #	5.34
17)	Dividend paid	-	-	-	-	-	1.77	109.17
		-	-	-	-	-	1.77	109.17
18)	Guarantee commission earned	60.63	-	-	-	-	-	-
		19.77	-	1.18	-	-	-	-
19)	Loan Taken	5,400.65	-	-	-	-	-	-
		564.10	-	-	-	-	-	-
20)	Loans given	3,244.98	-	14.57	-	-	-	-
		2,358.66	1.00	1.00	-	-	-	-
21)	Reversal of Impairment of Investments and related obligation	131.46	-	-	-	-	-	-
		-	-	-	-	-	-	-
22)	Equity contribution (includes advance towards equity contribution and perpetual bonds)	50.00	-	-	-	-	-	-
		3,435.98	-	-	-	-	-	-

41. Related Party Disclosures (Contd.)

₹ crore

Sr. No.	Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel & their relatives	Employee Benefit Funds / Trust	Promoter Group	Promoter
23)	Loans provided for as doubtful advances (including interest)	6.85	-	0.14	-	-	-	-
		11.16	-	-	-	-	-	-
24)	Loans given written off	5.69	-	-	-	-	-	-
		-	-	-	-	-	-	-
25)	Loans taken repaid (including loan converted into equity)	5,295.58	-	-	-	-	-	-
		689.10	-	-	-	-	-	-
26)	Loans repaid (including loan converted into equity)	2,809.63	-	14.43	-	-	-	-
		2,633.96	1.00	1.00	-	-	-	-
27)	Deposits taken	-	-	-	-	-	0.19	-
		-	0.01	-	-	-	0.21	-
28)	Deposits refunded	-	-	-	-	-	-	-
		-	-	-	-	-	1.51	-
29)	Liability written back	103.54	-	-	-	-	-	-
		-	-	-	2.03	-	-	0.64
30)	Sale of Investments	-	-	-	-	-	-	-
		-	-	-	-	-	614.18	1,542.61
31)	Donation given	-	-	-	-	-	-	-
		-	-	-	-	-	20.00	-
	Balances outstanding							
1)	Unsecured Perpetual Securities	-	-	-	-	-	198.20	-
		-	-	-	-	-	199.00	-
2)	Redeemable Non-Convertible Debentures	-	-	-	-	-	36.50	-
		-	-	-	-	-	36.50	-
3)	Investments	23,802.81	192.58	1,100.19 @	-	-	129.39 @	241.95
		23,752.81	192.58 @	1,100.19 @	-	-	145.24	241.95
4)	Impairment in value of investments	4,009.14	-	67.50	-	-	-	-
		4,140.60	-	67.50	-	-	-	-
5)	Other receivables	27.21	4.17	32.91 @	-	35.45	4.59	1.73
		46.88	1.26	9.23	-	20.46	5.04	0.08
6)	Loans given (including interest thereon)	561.70	1.27	72.98 @	-	-	-	
		130.70	1.27	72.84 @	-	-	-	-
7)	Loans taken (including interest thereon)	105.52	-	-	-	-	-	-
		0.38	-	-	-	-	-	-
8)	Loans provided for as doubtful advances (including interest thereon)	12.00	1.27	54.39	-	-	-	-
		12.40	1.27	54.25	-	-	-	-
9)	Deposits taken outstanding	-	-	-	-	-	0.21	2.00
		-	-	-	-	-	0.02	2.00
10)	Dividend receivable	-	-	-	-	-	-	-
		64.45	-	16.71	-	-	-	-

41. Related Party Disclosures (Contd.)

₹ crore

Sr. No.	Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel & their relatives	Employee Benefit Funds / Trust	Promoter Group	Promoter
11)	Guarantees, collaterals etc. outstanding	14,658.57	-	-	-	-	-	-
		16,322.85	-	-	-	-	-	-
12)	Letter of comfort outstanding	-	-	0.05	-	-	-	-
		-	-	0.05	-	-	-	-
13)	Other payables	9.95	4.24	0.27	8.04	43.63	3.66	0.04
		22.37	7.58	60.81	12.93	13.56	0.51	19.20

Notes:

The Company's principal related parties consist of Tata Sons Private Limited, its subsidiaries and joint ventures, its own subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

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 Ind AS financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

# Denotes below ₹ 50,000.

@ Includes amount reclassified as held for sale.

42. Financial Instruments

42.1 Fair values

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

₹ crore

	Carrying value		Fair Value	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Financial assets #				
Cash and Cash Equivalents	158.54	75.94	158.54	75.94
Other Balances with banks	20.40	19.85	20.40	19.85
Trade Receivables	1,108.68	1,442.20	1,108.68	1,442.20
Unbilled Revenues	83.41	41.56	83.41	41.56
Loans	592.19	170.55	592.19	170.55
Finance Lease Receivables	584.92	591.85	584.92	591.85
FVTPL Financial Investments	20.00	Nil	20.00	Nil
FVTOCI Financial Investments (Refer Note below)	416.14	419.65	416.14	419.65
Amortised Cost financial investments	171.38	416.40	176.79	423.27
Other Financial Assets	454.84	98.95	454.84	98.95
Asset Classified as Held For Sale (Refer Note 18)				
- Strategic Engineering Division (SED)	667.35	265.62	667.35	265.62
- FVTOCI Financial Investments (Refer Note below)	22.81	38.65	22.81	38.65
- Loans and other receivables (including accrued interest)	22.74	18.59	22.74	18.59
Total	**4,323.40**	**3,599.81**	**4,328.81**	**3,606.68**
Financial liabilities				
Trade Payables	1,001.87	1,124.89	1,001.87	1,124.89
Floating rate borrowings (including current maturities)	6,579.58	7,752.86	6,579.58	7,752.86
Fixed rate borrowings (including current maturities)	11,386.65	9,699.66	11,397.63	9,774.02
Other financial liabilities	707.64	967.19	707.64	967.19
	19,675.74	**19,544.60**	**19,686.72**	**19,618.96**

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

42. Financial Instruments (Contd.)

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.

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 31st March, 2020 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:

₹ crore

Unlisted shares irrevocably designated as at FVTOCI (Refer Note below)	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening balance	404.87	404.87
Gain/(Loss)		
- in other comprehensive income	Nil	Nil
- in profit or loss	Nil	Nil
- changes on sale of equity shares	Nil	Nil
Closing balance	**404.87**	**404.87**

Note:

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 31st March, 2020 and 31st March, 2019 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% (31st March, 2019: 5%) increase (decrease) in the transaction price would result in increase (decrease) in fair value by ₹ 2.82 crore (31st March, 2019: ₹ 2.82 crore)

42.2 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.

42. Financial Instruments (Contd.)

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.

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 31st March, 2020			
		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	31st March, 2020	20.00	Nil	Nil	20.00
FVTOCI Financial Investments:					
- Quoted equity shares	31st March, 2020	11.27	Nil	Nil	11.27
- Unquoted equity shares	31st March, 2020	Nil	Nil	404.87	404.87
- Assets classified as held for sale	31st March, 2020	22.81	Nil	Nil	22.81
Asset for which fair values are disclosed					
Amortised cost Financial Investments:					
- Government securities	31st March, 2020	176.79	Nil	Nil	176.79
		230.87	**Nil**	**404.87**	**635.74**

	Date of valuation	Fair value hierarchy as at 31st March, 2020			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		₹ crore	₹ crore	₹ crore	₹ crore
Liabilities for which fair values are disclosed					
Fixed rate borrowings	31st March, 2020	5,337.13	6,060.50	Nil	11,397.63
Floating rate borrowings	31st March, 2020	Nil	6,579.58	Nil	6,579.58
Total		**5,337.13**	**12,640.08**	**Nil**	**17,977.21**

	Date of valuation	Fair value hierarchy as at 31st March, 2019			
		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					
FVTOCI financial investments:					
- Quoted equity shares	31st March, 2019	14.78	Nil	Nil	14.78
- Unquoted equity shares	31st March, 2019	Nil	Nil	404.87	404.87
- Assets Classified as Held For Sale	31st March, 2019	38.65	Nil	Nil	38.65
Asset for which fair values are disclosed					
Amortised Cost financial investments:					
- Government securities	31st March, 2019	423.27	Nil	Nil	423.27
		476.70	**Nil**	**404.87**	**881.57**

42. Financial Instruments (Contd.)

	Date of valuation	Fair value hierarchy as at 31st March, 2019			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		₹ crore	₹ crore	₹ crore	₹ crore
Liabilities for which fair values are disclosed					
Fixed rate borrowings	31st March, 2019	4,044.41	5,729.61	Nil	9,774.02
Floating rate borrowings	31st March, 2019	Nil	7,752.86	Nil	7,752.86
Total		**4,044.41**	**13,482.47**	**Nil**	**17,526.88**

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

42.3 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, excluding discontinued operations as detailed in the notes below.

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

Gearing ratio

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

		₹ crore
	As at 31st March, 2020	As at 31st March, 2019
Debt (i)	18,003.89	17,641.99
Less: Cash and Bank balances	160.54	77.94
Net debt	**17,843.35**	**17,564.05**
Total Capital (ii)	15,261.97	15,689.60
Capital and net debt	**33,105.32**	**33,253.65**
Net debt to Total Capital plus net debt ratio (%)	53.90	52.82

(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 31st March, 2020 and 31st March, 2019.

42. Financial Instruments (Contd.)

42.4 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/ FVTPL investments and enters into derivative transactions.

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

42.4.1 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 31st March, 2020 and 31st March, 2019.

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 obligations; provisions; and the non-financial assets.

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	31st March, 2020		31st March, 2019	
	Foreign Currency (In Millions)	₹ crore	Foreign Currency (In Millions)	₹ crore
In USD	20.50	154.88	32.13	222.21
In EURO	0.31	2.60	0.07	0.54
In GBP	Nil	Nil	*	0.03
In JPY	300.78	20.92	124.51	7.78
In AUD	Nil	Nil	0.01	0.05
In CAD	0.02	0.08	0.01	0.05
In VND	790.21	0.25	Nil	Nil

Foreign Currency Assets	31st March, 2020		31st March, 2019	
	Foreign Currency (In Millions)	₹ crore	Foreign Currency (In Millions)	₹ crore
In USD	6.42	48.53	7.66	52.98
In ZAR	0.03	0.01	0.01	0.01
In SGD	0.08	0.41	Nil	Nil
In VND	35.88	0.01	Nil	Nil
In TAKA	0.21	0.02	0.20	0.02

* Denotes figures below ₹ 50,000

42. Financial Instruments (Contd.)

(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 including non-designated foreign currency forward and option contracts given as under.

₹ crore

		Effect on profit before tax and consequential impact on equity
As of 31st March, 2020	Rupee depreciate by ₹ 1 against USD	(-) ₹ 1.41
	Rupee appreciate by ₹ 1 against USD	(+) ₹ 1.41
As of 31st March, 2019	Rupee depreciate by ₹ 1 against USD	(-) ₹ 2.45
	Rupee appreciate by ₹ 1 against USD	(+) ₹ 2.45

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.

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.

(i) 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.

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:

₹ crore

	31st March, 2020		31st March, 2019	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest Expense on Loans	(+) ₹ 37.54	(-) ₹ 37.54	(+) ₹ 39.45	(-) ₹ 39.45
Effect on equity/profit before tax	(-) ₹ 37.54	(+) ₹ 37.54	(-) ₹ 39.45	(+) ₹ 39.45

42.4.2 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.

₹ crore

	31st March, 2020	31st March, 2019
Trade receivables	1,108.68	1,442.20
Loans	592.19	170.55
Finance lease receivables	584.92	591.85
Other financial assets	458.35	98.95
Unbilled Revenue	83.41	41.56
Financial Assets Held for Sale	712.90	322.86
Total	**3,540.45**	**2,667.97**

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.

42. Financial Instruments (Contd.)

42.4.3 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. The Company has access to a sufficient variety of sources of funding. 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.

₹ crore

	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
31st March, 2020					
Non-Derivatives					
Borrowings #	9,323.93	9,118.34	11,479.38	29,921.65	18,003.89
Trade Payables	1,001.87	Nil	Nil	1,001.87	1,001.87
Lease Liabilities	61.26	143.49	333.45	538.20	278.85
Other Financial Liabilities	655.37	14.60	Nil	669.97	669.97
Total Non-Derivative Liabilities	**11,042.43**	**9,276.43**	**11,812.83**	**32,131.69**	**19,954.58**
31st March, 2019					
Non-Derivatives					
Borrowings #	9,870.39	7,496.93	12,091.06	29,458.38	17,641.99
Trade Payables	1,102.14	22.75	Nil	1,124.89	1,124.89
Other Financial Liabilities	734.96	42.76	Nil	777.72	777.72
Total Non-Derivative Liabilities	**11,707.49**	**7,562.44**	**12,091.06**	**31,360.99**	**19,544.60**

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 38(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.

43. Segment Reporting

From the current year, the Company has changed its organization structure into various operating verticals for efficient monitoring and pursuing growth. Consequently, reporting to Chief Operating Decision Maker (CODM) has been changed which has resulted into change in the composition of reportable segments. Accordingly, corresponding information for comparative year has been restated in the 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.

43. Segment Reporting (Contd.)

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, 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 expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. 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:

₹ crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Segment Revenue (Refer Note 3.11.3 and 30)		
Generation	4,456.33	5,263.76
Renewables	283.49	271.40
Transmission and Distribution	4,012.16	4,320.33
Others	30.76	34.83
	8,782.74	**9,890.32**
(Less): Inter Segment Revenue - Generation	(1,589.26)	(1,659.10)
(Less): Inter Segment Revenue - Renewables	(165.59)	(166.62)
Total Segment Revenue	**7,027.89**	**8,064.60**
Discontinued Operations- Others #	343.74	143.59
Revenue / Income from Operations (including Net Movement in Regulatory Deferral Balances)	**7,371.63**	**8,208.19**
Segment Results		
Generation	739.16	1,142.85
Renewables	102.43	82.71
Transmission and Distribution	825.29	1,049.88
Others	7.78	19.42
Total Segment Results	**1,674.66**	**2,294.86**
(Less): Finance Costs	(1,510.38)	(1,500.35)
Add/(Less): Exceptional Item - Generation [Refer Note 35(i) and 39a.]	(351.35)	(45.00)
Add/(Less): Exceptional Item - Transmission and Distribution [Refer Note 35(i)]	(190.00)	Nil
Add/(Less): Exceptional Item - Unallocable [Refer Note 7(10)(b)]	235.00	1,212.99
Add/(Less): Unallocable Income/(Expense) (Net)	492.60	384.50
Profit/(Loss) Before Tax from Continuing Operations	**350.53**	**2,347.00**
Profit/(Loss) Before Tax from Discontinued Operations	**(81.64)**	**(191.82)**
Impairment Loss on Remeasurement to Fair Value (Refer Note 18)	**(361.00)**	**Nil**
Profit/(Loss) Before Tax from Discontinued Operations	**(442.64)**	**(191.82)**

43. Segment Reporting (Contd.)

₹ crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Segment Assets		
Generation	5,068.61	5,786.70
Renewables	779.56	857.35
Transmission and Distribution	6,123.68	6,427.64
Others	193.22	153.51
Unallocable*	23,571.34	22,845.08
Assets classified as held for sale # (Refer Note 18)	1,880.07	2,064.30
Total Assets	**37,616.48**	**38,134.58**
Segment Liabilities		
Generation	682.46	1,360.67
Renewables	21.97	18.50
Transmission and Distribution	1,599.16	1,365.92
Others	20.20	31.56
Unallocable*	18,998.65	18,702.06
Liabilities classified as held for sale #	1,032.07	966.27
Total Liabilities	**22,354.51**	**22,444.98**
Capital Expenditure		
Generation	75.22	59.71
Renewables	12.94	11.58
Transmission and Distribution	537.40	313.57
Others	4.04	2.26
Discontinued Operations	45.74	87.30
	675.34	**474.42**
Depreciation/Amortisation (to the extent allocable to the segment)		
Generation	223.61	213.08
Renewables	133.09	137.16
Transmission and Distribution	318.00	270.41
Others	2.51	0.78
	677.21	**621.43**

Reconciliation of Revenue

₹ crore

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from Operations	7,726.39	8,255.25
Add/(Less): Net Movement in Regulatory Deferral Balances	(792.24)	(519.03)
Add/(Less): Net Movement in Regulatory Deferral Balances in respect of earlier years	(21.32)	274.26
Add/(Less): Deferred Tax Recoverable/(Payable) (Refer Note 3.11.3)	162.16	98.19
Add/(Less): Unallocable Revenue	(47.10)	(44.07)
Total Segment Revenue	**7,027.89**	**8,064.60**
Discontinued Operations- Others #	343.74	143.59
Total Segment Revenue as reported above	**7,371.63**	**8,208.19**

Pertains to Strategic Engineering Division being classified as Discontinued Operations.

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

Notes:

1. Revenue from a DISCOM on sale of electricity with which Company has entered into a Power Purchase Agreement accounts for more than 10% of Total Revenue. Revenue from another customer (Industrial undertaking) pertaining to Finance lease accounts for more than 10% of Total Revenue.

43. Segment Reporting (Contd.)

2. Transfer prices 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 and as such there are no reportable geographical segments.

44. Impact of COVID-19

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Majority of Company's business includes generation, transmission and distribution of power in India. Further, Company also has significant investments in subsidiaries, joint ventures and associates involved in power supply and coal mining business in Indonesia. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company and its subsidiaries, joint ventures and associates except that there exists some uncertainty over impact of COVID-19 on future business performance of its coal mining companies which form part of Mundra CGU (comprising of investment in companies owing Mundra power plant, coal mine and related infrastructure). Based on the sensitivity analysis, management believes that the said uncertainty is not likely to impact the recoverability of Mundra CGU. The Company is also closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

45. 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.

46. Approval of Standalone Financial Statements

The Standalone financial statements were approved for issue by the Board of Directors on 19th May, 2020.

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, 19th May, 2020

For and on behalf of the Board,
PRAVEER SINHA
CEO & Managing Director
DIN 01785164

BANMALI AGRAWALA
Director
DIN 00120029

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 19th May, 2020