Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

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

B. Basis of preparation

1. Statement of Compliance

These standalone financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on 28 May 2018.

2. Basis of measurement

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

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

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

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

C. Significant accounting policies

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

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

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

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

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

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

1.2. Subsequent costs

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

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria.

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

1.3. Decommissioning costs

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

1.4. De-recognition

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

1.5. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the assets of the generation of electricity business and on the assets of Corporate & other offices is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

Depreciation on the assets of the coal mining, oil & gas exploration and consultancy business is charged on straight line method following the useful life specified in Schedule II of the Companies Act, 2013 except for the assets referred in policy no. C.6.

Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation:

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	6 years
h) Energy saving electrical appliances and fittings	2-7 years

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

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

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

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

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

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

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

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

2. Capital work-in-progress

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

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

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

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

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

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

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

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

3.2. Subsequent costs:

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

3.3. De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains & losses on de-recognition of an item of intangible assets are determined by comparing the proceeds from disposal, if any, with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.4. Amortization

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

4. Regulatory deferral account balances

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

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

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

5. Exploration for and evaluation of mineral resources

5.1. Oil and gas exploration costs

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

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

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

5.2. Coal mining exploration costs

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

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

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

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

6. **Development expenditure on coal mines**

Once proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to 'Development of coal mines' under Capital work-in-progress. However, if proved reserves are not determined, the exploration and evaluation costs are derecognized.

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

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

Mines under development are capitalized on occurrence of earliest of the following milestones except when commercial readiness is stated in the project report:

a) From the beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report; or

b) From the beginning of the financial year in which the value of production is more than total expenses; or

c) 2 years of touching of coal.

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

Gains and losses on de-recognition of tangible/intangible assets, as referred above, are determined by comparing the proceeds from disposal, if any, with the carrying amount of respective assets and are recognized in the statement of profit and loss.

6.1. Stripping activity expense/adjustment

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

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

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

6.2. Mines closure, site restoration and decommissioning obligations

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

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

6.3. Amortization

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

7. Joint operations

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

8. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 17 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

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

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

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

9. Inventories

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

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

Steel scrap is valued at estimated realizable value.

10. Cash and cash equivalents

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

11. Government grants

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

12. Fly ash utilization reserve fund

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

13. Provisions, contingent liabilities and contingent assets

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

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

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

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

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

14. Foreign currency transactions and translation

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

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

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

15. Revenue

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

15.1. Revenue from sale of energy

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

Revenue from the sale of energy is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement, and the amount of revenue can be measured reliably.

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

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 18. In cases of power stations where the same have not been notified/approved, incentives/disincentives are accounted for on provisional basis.

Part of revenue from sale of energy is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries and trading of power through power exchanges.

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

Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged.

Exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and adjusted from the year in which the same becomes recoverable/payable.

Exchange differences on account of translation of foreign currency borrowings recognized upto 31 March 2016, recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset'. The increase or decrease in depreciation for the year due to the accounting of such exchange differences as mentioned above is adjusted in depreciation. Fair value changes in respect of forward exchange contracts of derivative contracts recoverable from/payable to the beneficiaries as per the CERC Tariff Regulations, are recognized in sales.

15.2. Revenue from services

Revenue from consultancy, project management and supervision services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective consultancy contracts. Reimbursement of expenses are recognized as other income, as per the terms of the consultancy service contracts.

15.3. Other income

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

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

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

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

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

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

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

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

16. Employee benefits

16.1. Defined contribution plans

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

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

16.2. Defined benefit plans

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

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

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

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

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

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in statement of profit and loss.

16.3. Other long-term employee benefits

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

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

As per the Company's economic rehabilitation scheme which is optional, the nominee of the deceased employee is paid a fixed amount based on the last salary drawn by the employee till the date of superannuation of the employee by depositing the final provident fund and gratuity amount which will be interest free.

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

16.4. Short-term benefits

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

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

17. Other expenses

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

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

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

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

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

18. Income tax

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

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

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

19. Leases

19.1. As lessee

Accounting for finance leases

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

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

Accounting for operating leases

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

19.2. As lessor

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

Accounting for finance leases

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

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

Accounting for operating leases

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

For operating leases, the power plant is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight line basis over the term of the arrangement unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

20. Impairment of non-financial assets

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

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

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

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

21. Operating segments

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

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

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

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

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

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

22. Dividends

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

23. Material prior period errors

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

24. Earnings per share

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

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

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

25. Statement of cash flows

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

26. 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.

26.1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments at amortized cost

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

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

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

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

Debt instrument at FVTOCI (Fair value through OCI)

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

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

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

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

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

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

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

Equity investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries and joint ventures companies are measured at cost.

De-recognition

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

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

Impairment of financial assets

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

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

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

(c) Lease receivables under Ind AS 17.

(d) Trade receivables under Ind AS 11 and Ind AS 18.

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

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

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

26.2. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

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

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

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

De-recognition

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

Derivative financial instruments

Initial recognition and subsequent measurement

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

D. Use of estimates and management judgments

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

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

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

1. Formulation of accounting policies

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

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

The estimated useful life of property, plant and equipment and intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

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

The Company reviews at the end of each reporting date the useful life of assets, other than the assets of generation of electricity business which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

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

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

4. Post-employment benefit plans

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

5. Revenues

The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 18. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. Leases not in legal form of lease

Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 17 'Determining whether an arrangement contains a lease'. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement needs the criteria under Appendix C to Ind AS 17.

7. Assets held for sale

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

8. Regulatory deferral account balances

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

9. Provisions and contingencies

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

10. Impairment test of non-financial assets

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

11. Income taxes

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

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

As at 31 March 2018 ₹ Crore

Particulars	Gross block				Depreciation, amortization and impairment				Net block
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	Upto 1 April 2017	For the year	Deductions/ adjustments	Upto 31 March 2018	As at 31 March 2018
Land									
(including development expenses)									
Freehold	7,013.91	181.16	(40.38)	**7,235.45**	-	-	-	**-**	**7,235.45**
Leasehold	4,908.75	214.40	(77.58)	**5,200.73**	200.14	116.93	2.92	**314.15**	**4,886.58**
Under submergence (refer footnote (f) below)	732.83	0.48	(22.16)	**755.47**	49.26	30.40	-	**79.66**	**675.81**
Roads, bridges, culverts and helipads	878.90	139.35	(14.18)	**1,032.43**	69.54	41.95	1.54	**109.95**	**922.48**
Building									
Freehold									
Main plant	4,116.16	979.74	(82.79)	**5,178.69**	323.72	187.90	2.10	**509.52**	**4,669.17**
Others	2,848.90	630.12	(78.02)	**3,557.04**	272.46	168.23	28.79	**411.90**	**3,145.14**
Leasehold	18.91			**18.91**	3.70	1.86	-	**5.56**	**13.35**
Temporary erections	8.83	7.02	(1.37)	**17.22**	8.10	5.93	(0.01)	**14.04**	**3.18**
Water supply, drainage and sewerage system	473.30	123.47	(4.33)	**601.10**	49.39	31.29	0.01	**80.67**	**520.43**
Hydraulic works, barrages, dams, tunnels and power channel	4,130.91	46.17	(59.04)	**4,236.12**	381.71	223.02	(0.01)	**604.74**	**3,631.38**
MGR track and signaling system	1,027.30	17.92	(20.07)	**1,065.29**	123.83	69.00	-	**192.83**	**872.46**
Railway siding	757.58	695.29	(7.96)	**1,460.83**	80.14	70.68	-	**150.82**	**1,310.01**
Earth dam reservoir	211.36	106.36	(0.82)	**318.54**	22.39	17.15	-	**39.54**	**279.00**
Plant and equipment									
Owned	82,663.39	24,208.92	(1,144.72)	**108,017.03**	10,442.85	6,673.82	106.36	**17,010.31**	**91,006.72**
Leased	85.77			**85.77**	9.37	4.75	-	**14.12**	**71.65**
Furniture and fixtures	339.12	60.64	(8.10)	**407.86**	47.22	28.49	0.11	**75.60**	**332.26**
Vehicles including speedboats									
Owned	10.58	2.50	0.60	**12.48**	1.89	1.21	0.17	**2.93**	**9.55**
Leased	3.25	-	0.58	**2.67**	1.00	0.75	0.35	**1.40**	**1.27**
Office equipment	162.35	38.81	1.74	**199.42**	43.89	22.02	0.63	**65.28**	**134.14**
EDP, WP machines and satcom equipment	273.04	56.83	10.99	**318.88**	116.28	62.88	10.42	**168.74**	**150.14**
Construction equipment	134.23	47.99	1.48	**180.74**	23.09	14.76	1.38	**36.47**	**144.27**
Electrical installations	434.42	152.72	(19.85)	**606.99**	45.45	33.08	0.08	**78.45**	**528.54**
Communication equipment	68.27	11.88	0.53	**79.62**	24.64	7.90	0.58	**31.96**	**47.66**
Hospital equipment	25.90	3.95	0.06	**29.79**	3.12	1.69	0.01	**4.80**	**24.99**
Laboratory and workshop equipment	86.64	33.34	(0.30)	**120.28**	8.72	6.58	-	**15.30**	**104.98**
Assets for ash utilisation	26.22	13.07		**39.29**	-	-	-	**-**	**39.29**
Less: Adjusted from fly ash utilisation reserve fund	26.22	13.07		**39.29**	-	-	-	**-**	**39.29**
Total	**1,11,414.60**	**27,759.06**	**(1,565.69)**	**1,40,739.35**	**12,351.90**	**7,822.27**	**155.43**	**20,018.74**	**1,20,720.61**

As at 31 March 2017 ₹ Crore

Particulars	Gross block				Depreciation, amortization and impairment				Net block
	As at 1 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	Upto 1 April 2016	For the year	Deductions/ adjustments	Upto 31 March 2017	As at 31 March 2017
Land									
(including development expenses)									
Freehold	6,793.98	188.86	(31.07)	7,013.91	-	-	-	-	7,013.91
Leasehold	4,450.70	284.51	(173.54)	4,908.75	61.14	140.89	1.89	200.14	4,708.61
Under submergence (refer footnote (f) below)	719.69	56.15	43.01	732.83	25.10	27.94	3.78	49.26	683.57
Roads, bridges, culverts and helipads	749.68	77.48	(51.74)	878.90	33.55	38.37	2.38	69.54	809.36
Building									
Freehold									
Main plant	3,901.92	195.65	(18.59)	4,116.16	155.32	168.40	-	323.72	3,792.44
Others	2,439.73	337.65	(71.52)	2,848.90	128.58	147.06	3.18	272.46	2,576.44
Leasehold	18.91	-	-	18.91	1.85	1.85	-	3.70	15.21
Temporary erection	2.54	5.45	(0.84)	8.83	2.38	5.72	-	8.10	0.73
Water supply, drainage and sewerage system	379.22	88.50	(5.58)	473.30	23.46	25.93	-	49.39	423.91
Hydraulic works, barrages, dams, tunnels and power channel	4,120.98	-	(9.93)	4,130.91	163.19	218.52	-	381.71	3,749.20
MGR track and signaling system	946.57	27.12	(53.61)	1,027.30	58.55	65.28	-	123.83	903.47
Railway siding	649.75	64.97	(42.86)	757.58	34.99	45.15	-	80.14	677.44
Earth dam reservoir	161.68	44.76	(4.92)	211.36	10.28	12.11	-	22.39	188.97
Plant and equipment									
Owned	70,742.09	11,237.96	(683.34)	82,663.39	4,952.15	5,523.07	32.37	10,442.85	72,220.54
Leased	85.77	-	-	85.77	4.62	4.75	-	9.37	76.40
Furniture and fixtures	265.57	52.06	(21.49)	339.12	21.98	25.31	0.07	47.22	291.90
Vehicles including speedboats									
Owned	7.45	3.39	0.26	10.58	0.92	1.04	0.07	1.89	8.69
Leased	2.19	1.23	0.17	3.25	0.33	0.75	0.08	1.00	2.25
Office equipment	130.68	32.98	1.31	162.35	24.52	19.69	0.32	43.89	118.46
EDP, WP machines and satcom equipment	141.88	135.21	4.05	273.04	74.19	47.33	5.24	116.28	156.76
Construction equipment	110.74	24.02	0.53	134.23	11.64	11.99	0.54	23.09	111.14
Electrical installations	356.66	69.60	(8.16)	434.42	21.82	24.35	0.72	45.45	388.97
Communication equipment	58.55	10.01	0.29	68.27	16.85	7.94	0.15	24.64	43.63
Hospital Equipment	24.26	1.74	0.10	25.90	1.52	1.61	0.01	3.12	22.78
Laboratory and workshop equipment	70.81	15.38	(0.45)	86.64	3.71	5.01	-	8.72	77.92
Assets for ash utilisation	22.56	3.66	-	26.22	-	-	-	-	26.22
Less: Adjusted from fly ash utilisation reserve fund	22.56	3.66	-	26.22	-	-	-	-	26.22
Total	97,332.00	12,954.68	(1,127.92)	1,11,414.60	5,832.64	6,570.06	50.80	12,351.90	99,062.70

a) The conveyancing of the title to **10,126 acres** of freehold land of value ₹ **1,900.82 crore** (31 March 2017: 9,235 acres of value ₹ 1,940.44 crore), buildings and structures of value ₹ **4.97 crore** (31 March 2017: ₹ 4.97 crore) and also execution of lease agreements for **10,824 acres** of land of value ₹ **1,804.49 crore** (31 March 2017: 12,570 acres of value ₹ 1,869.67 crore) in favour of the Company are awaiting completion of legal formalities.

b) Land includes **284.35 acres** of freehold land of value ₹ **0.52 crore** (31 March 2017: 284.35 acres of value ₹ 0.52 crore), and **1,939.55 acres** of leasehold land of value ₹ **3.81 crore** (31 March 2017: 2,026.96 acres of value ₹ 3.68 crore), the value thereof including periodical lease rent accruing thereon is subject to revision on final settlement with the State Government Authorities with demand of late payment charges, if any.

c) Land does not include value of **34 acres** (31 March 2017: 34 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.

d) Land includes **1,298 acres** of value ₹ **133.93 crore** (31 March 2017: 1,295 acres of value ₹ 155.37 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of ₹ **262.91 crore** (31 March 2017: ₹ 262.91 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

f) Gross block of land under submergence represents ₹ **576.64 crore** (31 March 2017: ₹ 552.52 crore) of freehold land and ₹ **178.83 crore** (31 March 2017: ₹ 180.31 crore) of leasehold land. The land has been amortized considering the rate of depreciation provided by the CERC in the tariff regulations and the fact that it will not have any economic value due to deposit of silt and other foreign materials.

g) Possession of land measuring **98 acres** (31 March 2017: 98 acres) consisting of **79 acres** of freehold land (31 March 2017: 79 acres) and **19 acres** of lease hold land (31 March 2017: 19 acres) of value ₹ **0.21 crore** (31 March 2017: ₹ 0.21 crore) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of ₹ 0.21 crore. Pending approval for transfer of the said land, the area and value of this land has been included in the total land of the Company. The consideration received from erstwhile UPSEB is disclosed under Note 30 - Current liabilities - Other financial liabilities.

h) Refer Note 56 (b) regarding property, plant and equipment under finance lease.

i) Based on impairment assessment, the Company has reversed an impairment loss of ₹ **3.75 crore** (31 March 2017: ₹ 0.73 crore) during the year in respect of plant and equipment of a Solar PV Station of the Company. Refer Note 63 (a).

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

k) Refer Note 22 for information on property, plant and equipment pledged as security by the Company.

l) Refer Note 74 (C) (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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

₹ **Crore**

	Gross block		**Depreciation, amortization and impairment**	
	For the year ended		**For the year ended**	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Disposal of assets	**8.39**	76.36	**6.07**	10.34
Retirement of assets	**231.61**	102.99	**116.69**	24.42
Cost adjustments including exchange differences	**(1,851.12)**	(1,200.64)		-
Assets capitalized with retrospective effect/Write back of excess capitalization	-	(139.81)	**(1.11)**	(8.95)
Others	**45.43**	33.18	**33.78**	24.99
	(1,565.69)	(1,127.92)	**155.43**	50.80

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

₹ Crore

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Exchange differences included in PPE/CWIP	Borrowing costs included in PPE/CWIP	Exchange differences included in PPE/CWIP	Borrowing costs included in PPE/CWIP
Building - Freehold				
Main plant	7.27	136.89	(4.52)	197.09
Others	0.76	100.11	(0.25)	83.35
Hydraulic works, barrages, dams, tunnels and power channel	(0.51)	84.18	(5.62)	183.06
MGR track and signaling system	(0.01)	19.21	-	2.89
Railway siding	(0.32)	44.20	(0.06)	45.16
Plant and equipment	338.44	3,213.79	(172.18)	3,121.72
Others including pending allocation	(35.15)	557.51	(232.66)	491.81
Total	**310.48**	**4,155.89**	**(415.29)**	**4,125.08**

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

₹ Crore

	As at 31 March 2018	As at 31 March 2017
Leasehold land	37.22	35.94
Roads, bridges, culverts and helipads	18.34	11.80
Main plant building	68.30	53.39
Other building	89.74	68.72
Water supply, drainage and sewerage system	15.69	11.06
MGR track and signaling system	34.11	33.85
Plant and equipment - Owned	2,181.48	1,212.91
Furniture and fixtures	18.57	16.44
Other office equipment	46.99	19.58
EDP, WP machines and satcom equipment	88.87	54.67
Communication equipment	22.93	19.08
Others	41.17	34.95
	2,663.41	1,572.39

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

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

As at 31 March 2018 ₹ Crore

Particulars	As at 1 April 2017	Additions	Deductions/ adjustments	Capitalized	As at 31 March 2018
Development of land	878.51	114.38	271.89	-	**721.00**
Roads, bridges, culverts and helipads	99.21	131.73	(92.72)	139.35	**184.31**
piling and foundation	655.93	32.74	43.62	-	**645.05**
Buildings					
Freehold					
Main plant	3,598.03	631.66	673.31	979.74	**2,576.64**
Others	1,699.35	815.67	(68.77)	630.12	**1,953.67**
Temporary erections	35.96	8.28	15.88	7.02	**21.34**
Water supply, drainage and sewerage system	61.22	58.16	(65.68)	112.21	**72.85**
Hydraulic works, barrages, dams, tunnels and power channel	2,319.77	517.36	(46.41)	46.17	**2,837.37**
MGR track and signaling system	37.62	447.67	(13.94)	17.92	**481.31**
Railway siding	1,142.23	804.39	139.71	695.29	**1,111.62**
Earth dam reservoir	89.25	65.16	(28.12)	106.36	**76.17**
Plant and equipment - owned	61,518.83	20,126.23	(147.29)	23,071.77	**58,720.58**
Furniture and fixtures	23.15	21.55	(0.04)	16.30	**28.44**
Vehicles	-	0.10	-	-	**0.10**
Office equipment	5.51	6.09	1.08	7.12	**3.40**
EDP/WP machines and satcom equipment	1.56	10.37	1.90	3.20	**6.83**
Construction equipment	0.03	6.50	0.14	6.17	**0.22**
Electrical installations	516.69	401.62	519.98	138.72	**259.61**
Communication equipment	2.95	2.11	(1.01)	5.65	**0.42**
Hospital equipment	0.50	0.04	0.12	0.41	**0.01**
Laboratory and workshop equipment	5.91	7.50	0.37	11.76	**1.28**
Development of coal mines	1,464.54	448.86	8.70	-	**1,904.70**
	74,156.75	24,658.17	1,212.72	25,995.28	**71,606.92**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	87.39	9.82	5.40	-	**91.81**
Difference in exchange on foreign currency loans	1,498.13	108.10	372.88	-	**1,233.35**
Pre-commissioning expenses (net)	273.59	466.99	600.62	-	**139.96**
Expenditure during construction period (net)*	382.73	5,456.54	11.22	-	**5,828.05**
Other expenditure directly attributable to project construction	502.72	73.18	-	-	**575.90**
Less: Allocated to related works	-	5,278.49	-	-	**5,278.49**
	76,901.31	25,494.31	2,202.84	25,995.28	**74,197.50**
Less: Provision for unserviceable works	98.73	359.48	6.23	-	**451.98**
Construction stores (net of provisions)	3,499.88	68.47	-	-	**3,568.35**
Total	**80,302.46**	**25,203.30**	**2,196.61**	**25,995.28**	**77,313.87**

As at 31 March 2017

₹ Crore

Particulars	As at 1 April 2016	Additions	Deductions/ adjustments	Capitalized	As at 31 March 2017
Development of land	734.44	184.40	40.33	-	878.51
Roads, bridges, culverts and helipads	75.12	106.05	4.48	77.48	99.21
piling and foundation	675.70	31.84	51.61	-	655.93
Buildings					
Freehold					
Main plant	3,155.65	1,370.65	732.62	195.65	3,598.03
Others	1,439.01	803.31	205.32	337.65	1,699.35
Temporary erections	36.58	10.36	5.53	5.45	35.96
Water supply, drainage and sewerage system	77.58	46.37	(19.08)	81.81	61.22
Hydraulic works, barrages, dams, tunnels and power channel	1,982.10	341.31	3.64	-	2,319.77
MGR track and signaling system	231.56	77.28	244.10	27.12	37.62
Railway siding	454.92	809.66	57.38	64.97	1,142.23
Earth dam reservoir	106.79	9.53	(17.69)	44.76	89.25
Plant and equipment - owned	48,356.68	23,612.18	351.08	10,098.95	61,518.83
Furniture and fixtures	12.85	29.53	1.33	17.90	23.15
Office equipment	2.03	5.60	0.19	1.93	5.51
EDP/WP machines and satcom equipment	28.27	2.04	(0.77)	29.52	1.56
Construction equipment	-	0.03	-	-	0.03
Electrical installations	368.88	175.83	(31.47)	59.49	516.69
Communication equipment	2.35	1.23	0.01	0.62	2.95
Hospital equipment	0.07	0.47	0.01	0.03	0.50
Laboratory and workshop equipment	2.96	11.34	0.32	8.07	5.91
Development of coal mines	1,301.30	281.42	118.18	-	1,464.54
	59,044.84	27,910.43	1,747.12	11,051.40	74,156.75
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	92.88	-	5.49	-	87.39
Difference in exchange on foreign currency loans	1,920.69	35.13	457.69	-	1,498.13
Pre-commissioning expenses (net)	99.39	341.81	167.61	-	273.59
Expenditure during construction period (net)*	1,037.44	5,273.17	13.78		6,296.83
Other expenditure directly attributable to project construction	469.92	99.79	66.99	-	502.72
Less: Allocated to related works	-	5,914.10	-	-	5,914.10
	62,665.16	27,746.23	2,458.68	11,051.40	76,901.31
Less: Provision for unserviceable works	99.39	-	0.66	-	98.73
Construction stores (net of provisions)	3,639.82	(139.94)	-	-	3,499.88
Total	66,205.59	27,606.29	2,458.02	11,051.40	80,302.46

* Brought from expenditure during construction period (net) - Note 42

a) Construction stores are net of provision for shortages pending investigation amounting to ₹ **26.26 crore** (31 March 2017: ₹ 14.06 crore).

b) Pre-commissioning expenses for the year amount to ₹ **544.39 crore** (31 March 2017: ₹ 384.87) and after adjustment of pre-commissioning sales of ₹ **77.40 crore** (31 March 2017: ₹ 43.06 crore) resulted in net pre-commissioning expenditure of ₹ **466.99 crore** (31 March 2017: ₹ 341.81 crore).

c) Additions to the development of coal mines include expenditure during construction period (net) of ₹ **668.37 crore** (31 March 2017: ₹ 335.36 crore) - [Ref. Note 43] and are after netting off the receipts from coal extracted during the development phase amounting to ₹ **464.03 crore** (31 March 2017: (-) ₹ 20.82 crore).

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

4. Non-current assets - Intangible assets

As at 31 March 2018

₹ Crore

Particulars	Gross block				Amortization				Net block
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	Upto 1 April 2017	For the year	Deductions/ adjustments	Upto 31 March 2018	As at 31 March 2018
Software	26.90	7.36	(0.03)	**34.29**	14.67	7.49	0.01	**22.15**	**12.14**
Right of use - Land	104.61	53.13	(2.81)	**160.55**	6.89	6.96	-	**13.85**	**146.70**
- Others	203.71	-	-	**203.71**	20.64	10.31	-	**30.95**	**172.76**
Total	**335.22**	**60.49**	**(2.84)**	**398.55**	**42.20**	**24.76**	**0.01**	**66.95**	**331.60**

As at 31 March 2017

₹ Crore

Particulars	Gross block				Amortization				Net block
	As at 1 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	Upto 1 April 2016	For the year	Deductions/ adjustments	Upto 31 March 2017	As at 31 March 2017
Software	16.39	9.97	(0.54)	26.90	6.31	7.94	(0.42)	14.67	12.23
Right of use - Land	73.20	28.36	(3.05)	104.61	2.78	4.11	-	6.89	97.72
- Others	203.71	-	-	203.71	10.32	10.32	-	20.64	183.07
Total	293.30	38.33	(3.59)	335.22	19.41	22.37	(0.42)	42.20	293.02

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

b) Cost of acquisition of the right for drawl of water amounting to ₹ **203.71 crore** (31 March 2017: ₹ 203.71 crore) is included under intangible assets – Right of use - Others.

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

₹ Crore

Particulars	Gross block		Amortization	
	For the year ended		For the year ended	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Cost adjustments	**(2.84)**	(3.16)	**-**	-
Others	**-**	(0.43)	**0.01**	(0.42)
Total	**(2.84)**	(3.59)	**0.01**	(0.42)

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

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Software	**13.64**	2.70
Right of use - land	**0.14**	0.14
	13.78	2.84

5. Non-current assets - Intangible assets under development

As at 31 March 2018

₹ Crore

Particulars	As at 1 April 2017	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2018
Right of use - others	214.53	-	(23.29)	-	**237.82**
Exploration and evaluation assets - coal mines	220.09	28.65	25.80		**222.94**
Exploratory wells-in-progress	7.65	0.07	-	-	**7.72**
Software	-	8.52	-	-	**8.52**
	442.27	37.24	2.51	-	**477.00**
Less: Provision for unserviceable works	7.64	-	-	-	**7.64**
Total	**434.63**	**37.24**	**2.51**	-	**469.36**

As at 31 March 2017

₹ Crore

Particulars	As at 1 April 2016	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2017
Right of use - others	140.19	-	(74.34)	-	214.53
Exploration and evaluation assets - coal mines	-	102.09	(118.00)		220.09
Exploratory wells-in-progress	85.06	20.45	97.86	-	7.65
	225.25	122.54	(94.48)	-	442.27
Less: Provision for unserviceable works	7.64	-	-	-	7.64
Total	217.61	122.54	(94.48)	-	434.63

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

₹ Crore

Particulars	Number of shares Current year/ (previous year)	Face value per share in ₹ Current year/ (previous year)		As at 31 March 2018	As at 31 March 2017
Equity instruments - Unquoted (fully paid up - unless otherwise stated, at cost)					
Subsidiary companies					
NTPC Electric Supply Company Ltd.	80,910 (80,910)	10 (10)		**0.08**	0.08
NTPC Vidyut Vyapar Nigam Ltd.	2,00,00,000 (2,00,00,000)	10 (10)		**20.00**	20.00
Kanti Bijlee Utpadan Nigam Ltd.	1,04,28,88,641 (72,94,57,976)	10 (10)		**1,042.89**	729.46
Bhartiya Rail Bijlee Company Ltd.	1,59,95,33,644 (1,17,26,13,850)	10 (10)		**1,599.53**	1,172.61
Patratu Vidyut Utpadan Nigam Ltd.	9,21,24,000 (74,000)	10 (10)		**92.12**	0.08
				2,754.62	1,922.23
Joint venture companies					
Utility Powertech Ltd. (includes 10,00,000 bonus shares)	20,00,000 (20,00,000)	10 (10)		**1.00**	1.00
NTPC-GE Power Services Private Ltd.	30,00,000 (30,00,000)	10 (10)		**3.00**	3.00
NTPC-SAIL Power Company Ltd.	49,02,50,050 (49,02,50,050)	10 (10)		**490.25**	490.25
NTPC Tamil Nadu Energy Company Ltd.	1,40,99,96,112 (1,38,56,06,112)	10 (10)		**1,409.99**	1,385.61
Ratnagiri Gas & Power Private Ltd.	83,45,56,036 (97,43,08,300)	10 (10)	**834.55**		974.30
Less: Provision for impairment			**617.05**		782.95
				217.50	191.35
Konkan LNG Private Ltd.	13,97,52,264 (-)	10 (-)	**139.75**		-
Less: Provision for impairment			**139.75**		-
				-	-
Aravali Power Company Private Ltd.	1,43,30,08,200 (1,39,85,08,200)	10 (10)		**1,433.01**	1,398.51
NTPC BHEL Power Projects Private Ltd.	5,00,00,000 (5,00,00,000)	10 (10)	**50.00**		50.00
Less: Provision for impairment			**45.59**		28.68
				4.41	21.32
Meja Urja Nigam Private Ltd.	1,20,93,29,800 (1,16,64,39,800)	10 (10)		**1,209.33**	1,166.44

₹ Crore

Particulars	Number of shares Current year/ (previous year)	Face value per share in ₹ Current year/ (previous year)		As at 31 March 2018	As at 31 March 2017
BF-NTPC Energy Systems Ltd.	68,48,681 (65,70,900)	10 (10)	**6.85**		6.57
Less: Provision for impairment			**4.43**		3.75
				2.42	2.82
Nabinagar Power Generating Company Private Ltd.	1,65,99,35,500 (1,18,93,00,000)	10 (10)		**1,659.94**	1,189.30
Transformers and Electricals Kerala Ltd.	1,91,63,438 (1,91,63,438)	10 (10)		**31.34**	31.34
National High Power Test Laboratory Private Ltd.	3,04,00,000 (3,04,00,000)	10 (10)		**30.40**	30.40
Energy Efficiency Services Ltd.	14,65,00,000 (14,65,00,000)	10 (10)		**146.50**	146.50
CIL NTPC Urja Private Ltd.	76,900 (76,900)	10 (10)		**0.08**	0.08
Anushakti Vidhyut Nigam Ltd.	49,000 (49,000)	10 (10)		**0.05**	0.05
Hindustan Urvarak & Rasayan Ltd.	33,32,50,000 (50,25,000)	10 (10)		**333.25**	5.03
Trincomalee Power Company Ltd. (* Srilankan rupees)	32,86,061 (32,86,061)	100* (100)*		**15.20**	15.20
Bangladesh-India Friendship Power Company Private Ltd. (* Bangladeshi Taka)	2,42,50,000 (1,62,50,000)	100* (100)*		**198.91**	134.20
				7,186.58	6,212.40
Total				**9,941.20**	8,134.63
Aggregate amount of unquoted investments				**9,941.20**	8,134.63
Aggregate amount of impairment in the value of investments				**806.82**	815.38

a) Investments have been valued as per accounting policy no. C.26.1 (Note 1).

b) The Board of Directors of NTPC Limited in its meeting held on 28 April 2016 accorded in principle approval for withdrawal from NTPC BHEL Power Projects Private Ltd. (NTPC-BHEL), a Joint Venture of the Company. As NTPC-BHEL was formed by a directive from the GOI, approval of exit from GOI is awaited. Pending withdrawl, provision of ₹ **45.59 crore** (31 March 2017: ₹ 28.68 crore) for impairment in the value of investment has been recognized based on the unaudited accounts of NTPC-BHEL as at 31 March 2018.

c) The Board of Directors of NTPC Limited in its meeting held on 19 June 2014 accorded in principle approval for withdrawal from BF-NTPC Energy Systems Ltd. (BF-NTPC), a joint venture of the Company. As BF-NTPC was formed by a directive from the GOI, approval of the GOI was sought for exit by NTPC Limited. GOI has suggested to wind up BF-NTPC and NTPC Limited has given its consent for winding up. Approval of the GOI has been accorded on 8 January 2018. The winding up of the joint venture is under process. Pending winding-up, provision of ₹ **4.43 crore** (31 March 2017: ₹ 3.75 crore) for impairment in the value of investment has been recognized based on the unaudited accounts of BF-NTPC as at 31 March 2018.

d) The Board of Directors of NTPC Limited in its meeting held on 28 April 2016 accorded in principle approval for withdrawal from Transformers and Electricals Kerala Ltd. (TELK), a Joint Venture of the Company. GOI has accorded its approval for exit of NTPC from the joint venture. The decison of the Board of Directors of NTPC Limited and approval of GOI has been conveyed to the Government of Kerala (JV Partner) & TELK. The government of Kerala has requested NTPC to review the decision. The matter is under examination. Pending decision in this regard, no provision for impairment in the value of investment in TELK is required to be recognized.

e) The Company had an investment of ₹ 974.30 crore as at 31 March 2017 in the equity shares of Ratnagiri Gas and Power Private Ltd., a joint venture of the Company (RGPPL). During the year, the National Company Law Appellate Tribunal ('NCLAT') has approved the demerger scheme of Ratnagiri Gas and Power Private Ltd., ('Demerged Company') with effective date of 1 January 2016 as a result of which all the assets and liabilities of the LNG Terminal ('demerged undertaking') have been transferred to Konkan LNG Private Ltd. ('Resulting Company') (KLPL) at book values.

Consequent to demerger, the Resulting Company has allotted equity shares of face value of ₹ 10/- each equivalent to the share entitlement ratio of 143:1000 for each equity shares held in Demerged Company i.e. 13,97,52,264 equity shares of ₹ 10/- each to the Company. Accordingly, the Company has reduced its investment in RGPPL by ₹ 139.75 crore and has recorded 'Investment in Konkan LNG Private Ltd.' with the same amount.

As required by Ind AS 36, an assessment of impairment of the investment in RGPPL was carried out by an independent expert in the previous year and an loss on the investment in RGPPL amounting to ₹ 782.95 Crore was provided and the same was disclosed as 'Exceptional items - Impairment loss on investments' in the statement of profit and loss for the year ended 31 March 2017. Consequent to demerger Scheme, the provision for impairment loss in the equity investment of RGPPL of ₹ 782.95 crore as at 31 March 2017 has been bifurcated between RGPPL and KLPL at ₹ 643.20 crore and ₹ 139.75 crore respectively. Refer Note 63 (b).

Based on the above, the impairment loss recognized in the previous year and disclosed under exceptional items, has been written back to the extent of ₹ 26.15 crore thereby reducing the provision for impairment loss in the value of investments in RGPPL to ₹ 617.05 crore. Consequently, the carrying value of investments in RGPPL is ₹ 217.50 crore.

f) Restrictions for the disposal of investments held by the Company and commitments towards certain subsidiary & joint venture companies are disclosed in Note 74 (C) (b) and (c).

7. Non-current financial assets - Investments

₹ Crore

Particulars	Number of shares Current year/ (previous year)	Face value per share in ₹ Current year/ (previous year)	As at 31 March 2018	As at 31 March 2017
Equity instruments (fully paid up - unless otherwise stated)				
Quoted (designated at fair value through other comprehensive income)				
PTC India Ltd.	1,20,00,000 (1,20,00,000)	10 (10)	**104.88**	112.08
			104.88	112.08
Unquoted (measured at fair value through profit or loss)				
International Coal Ventures Private Ltd.	14,00,000 (14,00,000)	10 (10)	**1.40**	1.40
			1.40	1.40
Co-operative societies			**#**	#
Total			**106.28**	113.48
Aggregate amount of quoted investments at cost			**12.00**	12.00
Aggregate market value of the quoted investments			**104.88**	112.08
Aggregate amount of unquoted investments			**1.40**	1.40

Equity shares of ₹ **30,200**/- (31 March 2017: ₹ 30,200/-) held in various employee co-operative societies.

a) Investments have been valued as per accounting policy no. C.26.1 (Note 1).
b) The Board of Directors of NTPC Limited in its meeting held on 28 April 2016 accorded in principle approval for withdrawal from PTC India Ltd. (PTC). As the Company was formed by a directive from the GOI, approval of the GOI is awaited for exit by NTPC Limited.
c) The Board of Directors of NTPC Limited in its meeting held on 27 January 2012 accorded in principle approval for withdrawal from International Coal Ventures Private Ltd. (ICVPL). As the Company was formed by a directive from the GOI, approval of the GOI is awaited for exit by NTPC Limited. Pending withdrawal, the Company had lost the joint control over the entity and accordingly, has classified the investment in ICVPL as 'Investment in unquoted equity instruments'. Pending withdrawl, no provision for impairment in the value of investment in ICVPL is required to be made.
d) The Company is of the view that provisions of Ind AS 24 'Related Party Disclosures' and Ind AS 111 'Joint Arrangements' are not applicable to the investments made in PTC India Ltd. and International Coal Ventures Private Ltd., and the same has been accounted for as per the provisions of Ind AS 109 'Financial Instruments'.
e) No strategic investments in equity instruments measured at FVTOCI were disposed during the financial year 2017-18, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

8. Non-current financial assets - Trade receivables

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Trade receivables		
Unsecured, considered good	-	35.59

9. Non-current financial assets - Loans

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Loans (Considered good, unless otherwise stated)		
Related parties		
Unsecured	**201.71**	129.92
Employees (including accrued interest)		
Secured	**222.44**	252.52
Unsecured	**206.45**	97.81
Others		
Secured	**25.07**	50.34
Total	**655.67**	530.59
a) Due from directors and officers of the Company		
Directors	**0.11**	0.06
Officers	-	0.01
b) Loans to related parties include:		
Key management personnel	**0.11**	0.07
Kanti Bijli Utpadan Nigam Ltd. (Subsidiary company)	**201.00**	121.00
Patratu Vidyut Utpadan Nigam Ltd. (Subsidiary company)	-	8.25
NTPC Education and Research Society	**0.60**	0.60

c) Other loans represent loan of ₹ **25.07 crore** (31 March 2017: ₹ 50.34 crore) given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC).

d) Details of collateral held as security:

- Loans to the employee are secured against the mortgage of the house properties and hypothecation of vehicles for which such loans have been given in line with the policies of the Company.
- Loan to APIIC is secured by a guarantee given by the Government of Andhra Pradesh vide GO dated 3 April 2003.

10. Non-current assets - Other financial assets

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Share application money pending allotment in		
Subsidiary companies		
Kanti Bijlee Utpadan Nigam Ltd.	-	233.43
Bhartiya Rail Bijlee Company Ltd.	-	247.93
Patratu Vidyut Utpadan Nigam Ltd.	**32.00**	34.50
	32.00	515.86
Joint venture companies		
NTPC Tamil Nadu Energy Company Ltd.	-	24.39
Nabinagar Power Generating Company Private Ltd.	**197.93**	164.00
Energy Efficiency Services Ltd.	**99.00**	-
Bangladesh-India Friendship Power Company Private Ltd.	**78.92**	-
	375.85	188.39
Claims recoverable	**704.22**	638.97
Finance lease receivables (Note 56 b)	**502.32**	525.29
Mine closure deposit	**18.47**	5.67
Total	**1,632.86**	1,874.18

a) The shares are expected to be allotted within 60 days from the date of payment of the share application money.

b) Claims recoverable includes ₹ **680.11 crore** (31 March 2017: ₹ 619.34 crore) towards the cost incurred upto 31 March 2018 in respect of one of the hydro power projects, the construction of which has been discontinued on the advice of the Ministry of Power (MOP), GOI which includes ₹ **390.59 crore** (31 March 2017: ₹ 332.38 crore) in respect of arbitration awards challenged by the Company before Hon'ble High Court. In the event the Hon'ble High Court grants relief to the Company, the amount would be adjusted against Current liabilities - Provisions - Provision for others (Note 32). Management expects that the total cost incurred, anticipated expenditure on the safety and stabilization measures, other recurring site expenses and interest costs as well as claims of contractors/vendors for various packages for this project will be compensated in full by the GOI. Hence, no provision is considered necessary.

c) Keeping in view the provisions of Appendix C to Ind AS 17 'Leases' w.r.t. determining whether an arrangement contains a lease, the Company had ascertained that the Power Purchase Agreement (PPA) entered into for Stage I of a power station with the beneficiary falls under the definition of finance lease. Accordingly, the written down value of the specified assets had been derecognized from PPE and accounted for as Finance lease receivable (FLR) as at the transition date to Ind AS. Recovery of capacity charges towards depreciation (including AAD), interest on loan capital and return on equity (pre-tax) components from the beneficiary are adjusted against the FLR. The interest component of the FLR and amount received on account of revision of tariff of previous periods in respect of the above three elements are recognized as 'Interest income on assets under finance lease' under 'Revenue from operations' (Note 36).

11. Other non-current assets

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Capital advances		
(Considered good unless otherwise stated)		
Secured	**22.39**	16.23
Unsecured		
Covered by bank guarantee	**1,898.56**	3,296.66
Others	**2,780.34**	3,077.33
Considered doubtful	**5.76**	5.74
Less: Allowance for bad and doubtful advances	**5.76**	5.74
	4,701.29	6,390.22
Advances other than capital advances		
Security deposits	**83.22**	80.00
Advances to related parties	**20.95**	20.95
Advances to contractors and suppliers	**2,287.66**	2,296.71

₹ Crore

Particulars		As at 31 March 2018	As at 31 March 2017
Advance tax and tax deducted at source	**11,245.66**		11,423.36
Less: Provision for tax	**8,029.52**		4,517.16
		3,216.14	6,906.20
Deferred foreign currency fluctuation asset		**1,119.00**	1,032.68
Deferred payroll expenditure		**140.42**	146.72
Total		**11,568.68**	16,873.48

a) In line with accounting policy no. 15 (Note 1), deferred foreign currency fluctuation asset has been accounted and **(-) ₹ 128.39 crore** (31 March 2017: (-) ₹ 233.80 crore) being the exchange fluctuations on account of foreign currency loans have been recognized in 'Energy sales' under 'Revenue from operations' (Note 36).

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

NTPC-GE Power Services Private Ltd.	**45.39**	48.42
NTPC BHEL Power Projects Private Ltd.	**65.95**	117.03
Aravali Power Company Private Ltd.	**0.34**	-

c) Capital advances include ₹ **224.29 crore** (31 March 2017: ₹ 224.29 crore), paid to a contractor pending settlement of certain claims which are under arbitration. The amount will be adjusted in the cost of related work or recovered from the party, depending upon the outcome of the arbitration proceedings.

d) Advances to contractors and suppliers include payments to Railways amounting to ₹ **2,226.22 crore** (31 March 2017: ₹ 2,226.22 crore) under customer funding model as per policy on 'Participative model for rail-connectivity and capacity augmentation projects' issued by the Ministry of Railways, GOI. As per the policy, an agreement has been signed between the Company and the Ministry of Railways, GOI on 6 June 2016. As per the agreement, railway projects agreed between the Company and Railways will be constructed, maintained and operated by Railways and ownership of the line and its operations and maintenance will always remain with them. Railways will pay upto 7% of the amount invested through freight rebate on freight volumes every year till the funds provided by the Company are fully recovered along-with 5% interest after commercial operation date (COD) of the railway projects. The railway projects as per the agreement are yet to achieve the COD.

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

f) Loans given to employees are measured at amortized cost. The deferred payroll expenditure represents the benefits accruing to employees. The same is amortized on a straight-line basis over the remaining period of the loan.

12. Current assets - Inventories

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Coal	**2,085.38**	2,627.38
Fuel oil	**311.02**	270.30
Naphtha	**118.51**	112.64
Stores and spares	**2,915.56**	2,890.96
Chemicals and consumables	**120.62**	97.87
Loose tools	**8.47**	7.41
Steel scrap	**16.82**	18.68
Others	**610.68**	582.43
	6,187.06	6,607.67
Less: Provision for shortages	**22.06**	5.10
Provision for obsolete/unserviceable items/ diminution in value of surplus inventory	**107.62**	97.76
Total	**6,057.38**	6,504.81

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Inventories include material-in-transit		
Coal	**293.39**	183.92
Stores and spares	**26.67**	46.50
Chemicals and consumables	**1.15**	0.78
Loose tools	**0.02**	0.08
Others	**0.71**	0.91

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

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

c) Refer Note 22 and 51 (b) for information on inventories pledged as security by the Company.

13. Current financial assets - Trade receivables

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Trade receivables		
Unsecured, considered good	**7,577.97**	8,137.92
Considered doubtful	**0.34**	0.20
	7,578.31	8,138.12
Less: Allowance for bad and doubtful receivables	**0.34**	0.20
Total	**7,577.97**	8,137.92

Amounts receivable from related parties are disclosed in Note 60.

14. Current financial assets - Cash and cash equivalents

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
Current accounts	**59.85**	150.60
Deposits with original maturity upto three months (including interest accrued)	**-**	3.35
Cheques and drafts on hand	**0.57**	3.10
Others (stamps on hand)	**0.07**	0.07
Total	**60.49**	157.12

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

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**2,617.34**	1,287.97
Earmarked balances with banks #	**1,300.55**	1,485.40
Total	**3,917.89**	2,773.37

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
# Earmarked balances with banks towards:		
Redemption of bonds due for repayment within one year	**100.00**	101.04
Fly ash utilisation reserve fund*	**631.21**	556.68
DDUGJY Scheme of the GOI**	**543.90**	802.05
Unpaid dividend account balance	**16.51**	17.61
Amount deposited as per court orders	**5.00**	5.00
Unpaid interest/refund account balance - Bonds	**3.88**	2.97
Unpaid interest on public deposit	**0.03**	0.03
Security with government authorities	**0.02**	0.02
Total	**1,300.55**	1,485.40

* Refer Note 21 d) regarding fly ash utilization reserve fund.

** Out of advance for DDUGJY Scheme of the GOI. Refer Note 30 (c) and 31 (a).

a) Deposits with original maturity of more than three months and maturing within one year include ₹ **1,743.89 crore** (31 March 2017: ₹ 955.33 crore) which has been kept in corporate liquid term deposits with bank. These deposits represents unutilized balance of Medium Term Notes (MTNs) as per MTN programme to partly finance the capital expenditure of ongoing and/or new power projects, coal mining projects, and/or renovation and modernization of power stations and can be utilized only for the stated purposes.

16. Current financial assets - Loans

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Loans (including interest accrued)		
(Considered good unless otherwise stated)		
Related parties		
Unsecured	**47.95**	25.05
Employees		
Secured	**67.13**	72.55
Unsecured	**164.25**	134.32
Others		
Secured	**0.89**	5.00
Total	**280.22**	236.92
a) Due from Directors and Officers of the Company		
Directors	**0.13**	0.04
Officers	**0.03**	0.01
b) Loans to related parties include:		
Key management personnel	**0.16**	0.05
Patratu Vidyut Utpadan Nigam Ltd. (Subsidiary company)	**41.75**	25.00
Kanti Bijlee Utpadan Nigam Ltd. (Subsidiary company)	**0.04**	-
National High Power Test Laboratory Private Ltd. (Joint venture company)	**6.00**	-

c) Other loans represent loans of ₹ **0.89 crore** (31 March 2017: ₹ 5.00 crore) given to APIIC.

d) Details of collateral held as security:

- Loans to the employee are secured against the mortgage of the house properties and hypothecation of vehicles for which such loans have been given in line with the policies of the Company.
- Loan to APIIC is secured by a guarantee given by the Government of Andhra Pradesh vide GO dated 3 April 2003.

17. Current assets - Other financial assets

₹ Crore

Particulars		As at 31 March 2018	As at 31 March 2017
Advances			
(Considered good unless otherwise stated)			
Related parties			
Unsecured		**217.11**	179.44
Employees			
Unsecured	**6.01**		5.78
Considered doubtful	**0.07**		0.04
Less: Allowance for bad and doubtful advances	**0.07**		0.04
		6.01	5.78
Others			
Unsecured		**0.50**	14.72
		223.62	199.94
Claims recoverable			
Unsecured, considered good	**54.24**		94.63
Considered doubtful	**0.12**		0.12
Less: Allowance for doubtful claims	**0.12**		0.12
		54.24	94.63
Unbilled revenue		**7,574.60**	5,718.67
Hedging cost recoverable from beneficiaries		**2.53**	1.60
Derivative MTM asset		**3.73**	-
Finance lease receivables		**40.00**	29.77
Dividend receivable		**20.00**	-
Others		**19.40**	8.71
Total		**7,938.12**	6,053.32

a) Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ **6,932.84 crore** (31 March 2017: ₹ 7,496.34 crore) billed to the beneficiaries after 31 March for energy sales.

b) Advance to related parties include:

Subsidiary companies	**129.82**	125.96
Joint venture companies	**74.61**	45.55

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

NTPC-GE Power Services Private Ltd.	**0.34**	0.37
Aravali Power Company Private Ltd.	**4.01**	9.03
NTPC BHEL Power Projects Private Ltd.	**5.99**	4.80
Meja Urja Nigam Private Ltd.	**10.00**	3.50
Nabinagar Power Generating Company Private Ltd.	**0.97**	2.61
Bangladesh India Friendship Power Company Private Ltd.	**1.43**	9.34
Ratnagiri Gas & Power Private Ltd.	**3.95**	-

d) Dividend receivable represents interim dividend declared by M/s NTPC Vidyut Vyapar Nigam Ltd. (subsidiary of the Company) on 29 March 2018.

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

18. Current assets - Other current assets

₹ Crore

Particulars		As at 31 March 2018	As at 31 March 2017
Security deposits (unsecured)		**1,021.21**	950.81
Advances			
(Considered good unless otherwise stated)			
Related parties			
Unsecured		**1,663.71**	667.80
Employees			
Unsecured		**6.53**	4.74
Contractors and suppliers			
Secured	**2.76**		1.51
Unsecured	**5,381.01**		355.80
Considered doubtful	**1.90**		1.90
Less: Allowance for bad and doubtful advances	**1.90**		1.90
		5,383.77	357.31
Others			
Unsecured		**176.06**	110.51
		7,230.07	1,140.36
Interest accrued on			
Advance to contractors		**43.22**	41.76
Claims recoverable			
Unsecured, considered good	**2,547.98**		2,367.47
Considered doubtful	**39.20**		11.96
Less: Allowance for doubtful claims	**39.20**		11.96
		2,547.98	2,367.47
Assets held for disposal		**1.98**	1.72
Deferred payroll expenses		**27.92**	21.53
Others		**5.85**	12.79
Total		**10,878.23**	4,536.44

a) Security deposits (unsecured) include ₹ **27.73 crore** (31 March 2017: ₹ 63.31 crore) towards sales tax deposited with sales/ commercial tax authorities, ₹ **272.76 crore** (31 March 2017: ₹ 346.30 crore) deposited with Courts, ₹ **177.47 crore** (31 March 2017: ₹ 177.06 crore) deposited with LIC for making annuity payments to the land oustees, ₹ **275.05 crore** (31 March 2017: ₹ 275.05 crore) deposited with the Water Resource Department, Govt. of Chhattisgarh for drawl of water and ₹ **158.50 crore** (31 March 2017: ₹ Nil) deposited against bank guarantee with one of the party as per the direction of the Hon'ble Supreme Court of India, refer Note 56 (b).

b) Advances - Contractors and suppliers - unsecured includes an amount of ₹ **5,000.00 crore** (31 March 2017: ₹ Nil) paid to Indian Railways during the year, towards advance railway freight to be adjusted against freight payable on coal transportation during the year 2018-19 pursuant to an agreement entered into with Indian Railways, Ministry of Railways, GOI.

c) Advances - Others include prepaid expenses amounting to ₹ **87.39 crore** (31 March 2017: ₹ 88.43 crore) and unamortized discount on commercial paper amounting to ₹ **88.40 crore** (31 March 2017: ₹ 21.89 crore).

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

NTPC-GE Power Services Private Ltd.	**0.01**	0.07
NTPC BHEL Power Projects Private Ltd.	**1.33**	0.22

e) Loans given to employees are measured at amortized cost. The deferred payroll expenditure represents the benefits accruing to employees. The same is amortized on a straight-line basis over the remaining period of the loan.

f) In the previous year figures, an amount of ₹ **588.10 crore** has been regrouped from Advances - Contractors and suppliers - unsecured to Advances - Related parties - Unsecured, to enhance comparability with the current year's financial statements.

19. Regulatory deferral account debit balances

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Exchange differences	**101.99**	-
On account of employee benefits expense	**641.14**	522.83
	743.13	522.83

Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer Note 71 for detailed disclosures.

20. Equity share capital

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Equity share capital		
Authorized		
10,00,00,00,000 shares of par value ₹10/- each (10,00,00,00,000 shares of par value ₹10/- each as at 31 March 2017)	**10,000.00**	10,000.00
Issued, subscribed and fully paid up		
8,24,54,64,400 shares of par value ₹ 10/- each (8,24,54,64,400 shares of par value ₹ 10/- each as at 31 March 2017)	**8,245.46**	8,245.46

a) Movement in equity share capital:

During the year, the Company has neither issued nor bought back any shares.

b) Terms and rights attached to equity shares:

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

c) Dividends:

₹ Crore

Particulars	Paid during the year ended	
	31 March 2018	31 March 2017
(i) Dividends paid and recognized during the year		
Final dividend for the year ended 31 March 2017 of ₹ 2.17 (31 March 2016: ₹ 1.75) per fully paid share	**1,789.27**	1,442.96
Interim dividend for the year ended 31 March 2018 of ₹ 2.73 (31 March 2017: ₹ 2.61) per fully paid share	**2,251.01**	2,152.07

₹ Crore

(ii) Dividends not recognized at the end of the reporting period	31 March 2018	31 March 2017
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ **2.39** (31 March 2017: ₹ 2.17) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**1,970.67**	1,789.27

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	%age holding	No. of shares	%age holding
- President of India	**5,13,48,25,262**	**62.27**	5,75,07,59,170	69.74
- Life Insurance Corporation of India (including shares held in various Funds/Schemes)	**1,00,34,56,797**	**12.17**	99,82,58,968	12.11

21. Other equity

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Capital reserve	**50.08**	50.08
Securities premium account	**2,228.46**	2,228.46
Bonds/debentures redemption reserve	**7,274.56**	5,961.81
Fly ash utilisation reserve fund	**631.21**	556.68
General reserve	**80,831.63**	76,831.63
Retained earnings	**2,508.57**	2,342.11
Reserve for equity instruments through OCI	**7.80**	15.00
Total	**93,532.31**	87,985.77

(a) Capital reserve

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance and closing balance	**50.08**	50.08

Capital reserve represents amount received by the Company during 2001-02 as consideration under settlement for withdrawal from an erstwhile JV project. There is no movement in the capital reserve balance during the year.

(b) Securities premium account

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance and closing balance	**2,228.46**	2,228.46

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

(c) Bonds/Debentures redemption reserve

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	**5,961.81**	4,608.73
Add : Transfer from retained earnings	**1,637.75**	1,667.08
Less: Transfer to retained earnings	**325.00**	314.00
Closing balance	**7,274.56**	5,961.81

In accordance with applicable provisions of the Companies Act, 2013 read with Rules and as per decision of Board of Directors, the Company has created Debenture Redemption Reserve out of profits of the Company @ 50% of the value of debentures on a prudent basis, every year in equal installments till the year prior to the year of redemption of debentures/bonds for the purpose of redemption of debentures/bonds.

(d) Fly ash utilisation reserve fund

₹ Crore

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
Opening balance	**556.68**	478.21
Add: Transferred during the year:		
Revenue from operations	**131.02**	108.42
Other income	**26.74**	27.63
Less: Utilised during the year:		
Capital expenditure	**13.07**	3.66
Employee benefits expense	**19.02**	20.80
Other administration expenses	**51.14**	33.12
Closing balance	**631.21**	556.68

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

During the year, proceeds of ₹ **131.02 crore** (31 March 2017: ₹ 108.42 crore) from sale of ash/ash products, ₹ **26.74 crore** (31 March 2017: ₹ 27.63 crore) towards income on investment have been transferred to fly ash utilisation reserve fund. An amount of ₹ **83.23** crore (31 March 2017: ₹ 57.58 crore) has been utilized from the fly ash utilisation reserve fund on expenses incurred for activities as specified in the aforesaid notification of MOEF.

The fund balance of ₹ **631.21** crore (31 March 2017: ₹ 556.68 crore) has been kept in 'Bank balances other than cash & cash equivalents' (Note 15).

(e) General reserve

₹ Crore

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
Opening balance	**76,831.63**	72,331.63
Add : Transfer from retained earnings	**4,000.00**	4,500.00
Closing balance	**80,831.63**	76,831.63

(f) Retained earnings

₹ Crore

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
Opening balance	**2,342.11**	3,371.41
Add: Profit for the year as per statement of profit and loss	**10,343.17**	9,385.26
Transfer from bonds/debentures redemption reserve	**325.00**	314.00
Less: Transfer to bonds/debentures redemption reserve	**1,637.75**	1,667.08
Transfer to general reserve	**4,000.00**	4,500.00
Final dividend paid	**1,789.27**	1,442.96

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Tax on final dividend paid	**358.15**	289.68
Interim dividend paid	**2,251.01**	2,152.07
Tax on interim dividend paid	**458.25**	438.11
	2515.85	2580.77
Items of other comprehensive income recognized directly in retained earnings:		
- Net actuarial losses on defined benefit plans (net of tax)	**(7.28)**	(238.66)
Closing balance	**2,508.57**	2,342.11

(g) **Reserve for equity instruments through OCI**

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	**15.00**	(20.28)
Add: Fair value gain/(loss) on equity instruments for the year	**(7.20)**	35.28
Closing balance	**7.80**	15.00

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

22. Non-current financial liabilities - Borrowings

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Bonds/debentures		
Secured		
7.37% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2035 (Fifty Sixth Issue - Public Issue - Series 3A)[XI]	**188.95**	188.94
7.62% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2035 (Fifty Sixth Issue - Public Issue - Series 3B)[XI]	**171.71**	171.71
8.61% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4 March 2034 (Fifty First Issue C - Private Placement)[III]	**322.04**	322.11
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2033 (Fiftieth Issue - Public Issue - Series 3A)[VII]	**319.87**	319.87
8.91% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2033 (Fiftieth Issue - Public Issue - Series 3B)[VII]	**410.32**	410.32
7.37% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 14 December 2031 (Sixty Sixth Issue - Private Placement)[XIII]	**4,010.35**	4,010.34

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
7.49% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 7 November 2031 (Sixty Fourth Issue - Private Placement)[XII]	**720.59**	720.58
7.28% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2030 (Fifty Sixth Issue - Public Issue - Series 2A)[XI]	**133.45**	133.44
7.53% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2030 (Fifty Sixth Issue - Public Issue - Series 2B)[XI]	**49.89**	49.88
8.63% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4 March 2029 (Fifty First Issue B - Private Placement)[III]	**105.67**	105.70
8.48% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2028 (Fiftieth Issue - Public Issue - Series 2A)[VII]	**256.10**	256.10
8.73% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2028 (Fiftieth Issue - Public Issue - Series 2B)[VII]	**93.71**	93.71
7.47% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 16 September 2026 (Sixty Third Issue - Private Placement)[XII]	**696.79**	696.77
7.58% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 23 August 2026 (Sixty Second Issue - Private Placement)[XII]	**836.49**	836.47
8.05% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 5 May 2026 (Sixtieth Issue - Private Placement)[XII]	**1,072.78**	1,072.76
8.19% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 15 December 2025 (Fifty Seventh Issue - Private Placement)[XII]	**511.79**	511.77
7.11% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2025 (Fifty Sixth Issue - Public Issue - Series 1A)[XI]	**111.97**	111.96
7.36% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5 October 2025 (Fifty Sixth Issue - Public Issue - Series 1B)[XI]	**68.17**	68.15
7.15% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 10,00,000/- each redeemable at par in full on 21 August 2025 (Fifty Fifth Issue - Private Placement)[IX]	**313.11**	313.05
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 22 September 2024 (Fifty Third Issue - Private Placement)[IX]	**1,047.99**	1,047.99
9.34% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24 March 2024 (Fifty Second Issue - Private Placement)[III]	**751.15**	751.54
8.19% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 10,00,000/- each redeemable at par in full on 4 March 2024 (Fifty First Issue A - Private Placement)[III]	**75.45**	75.47

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
8.41% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2023 (Fiftieth Issue - Public Issue - Series 1A)[VII]	**499.95**	499.95
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 December 2023 (Fiftieth Issue - Public Issue - Series 1B)[VII]	**213.89**	213.89
9.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 04 May 2023 and ending on 04 May 2027 (Forty Fourth Issue - Private Placement)[VII]	**542.07**	542.07
8.48% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 1 May 2023 (Seventeenth Issue - Private Placement)[I]	**50.01**	50.01
8.80% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4 April 2023 (Forty Ninth Issue - Private Placement)[VII]	**217.46**	217.46
8.49% Secured non-cumulative non-convertible redeemable taxable fully paid-up bonus debentures of ₹ 12.50 each redeemable at par in three annual installments of ₹ 2.50, ₹ 5.00 and ₹ 5.00 at the end of 8th year, 9th year and 10th year on 25 March 2023, 25 March 2024 and 25 March 2025 respectively (Fifty Fourth Issue -Bonus Debentures)[X]	**10,321.21**	10,318.82
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 7 March 2023 (Forty Eighth Issue - Private Placement)[VII]	**301.79**	301.79
9.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 25 January 2023 and ending on 25 January 2027 (Forty Second Issue - Private Placement)[III]	**508.14**	508.14
8.84% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4 October 2022 (Forty Seventh Issue - Private Placement)[VII]	**406.91**	406.91
6.72% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24 November 2021 (Sixty Fifth Issue - Private Placement)[XII]	**716.30**	716.26
8.10% Secured non-cumulative non-convertible redeemable taxable bonds of ₹30,00,000/- each redeemable at par in three equal separately transferable redeemable principal parts (STRPP) at the end of 5th year, 10th year & 15th year on 27 May 2021, 27 May 2026 and 27 May 2031 respectively (Sixty first issue - Private Placement)[XI]	**1,145.48**	1,145.94
8.33% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24 February 2021 (Fifty Ninth Issue - Private Placement)[XII]	**659.93**	660.18
8.93% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 19 January 2021 (Thirty Seventh Issue - Private placement)[III]	**317.17**	317.17
8.18% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 31 December 2020 (Fifty Eight Issue - Private Placement)[XII]	**305.90**	305.92
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 31 March 2020 (Thirty Third Issue- Private Placement)[III]	**209.97**	209.97
8.78% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 9 March 2020 (Thirty First Issue- Private Placement)[III]	**531.27**	531.27

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
11.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in five equal annual installments commencing from 6 November 2019 and ending on 6 November 2023 (Twenty Seventh Issue - Private Placement)[III]	**368.02**	368.12
7.89% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 5 May 2019 (Thirtieth Issue - Private Placement)[III]	**701.82**	701.82
8.65% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4 February 2019 (Twenty Ninth Issue - Private Placement)[III]	**552.87**	552.87
7.50% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 12 January 2019 (Nineteenth Issue - Private Placement)[II]	**50.92**	50.92
11.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 21 November 2018 (Twenty Eighth Issue - Private Placement)[III]	**1,027.12**	1,027.42
9.3473% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 20 July 2018 and ending on 20 July 2032 (Forty Sixth Issue - Private Placement)[VII]	**80.09**	80.07
9.4376% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 16 May 2018 and ending on 16 May 2032 (Forty Fifth Issue - Private Placement)[VII]	**80.14**	80.12
8.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 10 April 2018 (Sixteenth Issue -Private Placement)[I]	**103.33**	103.33
9.2573% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 2 March 2018 and ending on 2 March 2032 (Forty Third Issue - Private Placement)[III]	**74.70**	80.02
9.6713% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 23 December 2017 and ending on 23 December 2031 (Forty First Issue - Private Placement)[III]	**74.92**	80.25
9.558% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 29 July 2017 and ending on 29 July 2031 (Fortieth Issue - Private Placement)[III]	**74.86**	80.18
9.3896% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 9 June 2017 and ending on 9 June 2031 (Thirty Ninth Issue - Private Placement)[III]	**104.68**	112.13
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 22 March 2017 and ending on 22 March 2031 (Thirty Eighth Issue - Private Placement)[III]	**69.33**	74.64

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
8.8086% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15 December 2016 and ending on 15 December 2030 (Thirty Sixth Issue - Private Placement)[III]	**69.16**	74.46
8.785% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15 September 2016 and ending on 15 September 2030 (Thirty Fifth Issue - Private Placement)[III]	**110.63**	119.12
8.71% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 10 June 2016 and ending on 10 June 2030 (Thirty Fourth Issue - Private Placement)[III]	**138.22**	148.82
8.8493% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 25 March 2016 and ending on 25 March 2030 (Thirty Second Issue - Private Placement)[III]	**89.40**	96.82
9.37% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4 June 2012 and ending on 4 December 2018 (Twenty Fifth Issue - Private Placement)[III]	**73.13**	146.78
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4 June 2012 and ending on 4 December 2018 (Twenty Sixth Issue - Private Placement)[III]	**73.06**	146.64
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9 September 2011 and ending on 9 March 2021 (Twenty Fourth Issue - Private Placement)[IV]	**153.15**	204.24
8.3796% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 5 August 2011 and ending on 5 February 2021 (Twenty Third Issue - Private Placement)[IV]	**153.06**	204.13
8.1771% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2 July 2011 and ending on 2 January 2021 (Twenty Second Issue - Private Placement)[IV]	**152.99**	204.03
7.7125% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2 August 2010 and ending on 2 February 2020 (Twenty First Issue - Private Placement)[V]	**203.76**	305.71
7.552% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 23 September 2009 and ending on 23 March 2019 (Twentieth Issue - Private Placement)[VI]	**50.92**	101.86
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹10,00,000/- each with ten equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of the 6th year and in annual installments thereafter upto the end of 15th year respectively from 30 April 2002 (Thirteenth Issue - Part B - Private Placement)[VIII]	**-**	77.37

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹10,00,000/- each redeemable at par in ten equal annual installments commencing from the end of 6th year and upto the end of 15th year respectively from 18 April 2002 (Thirteenth Issue -Part A - Private Placement)[VIII]	-	77.38
	33,846.07	34,513.63
Foreign currency notes		
Unsecured		
4.500 % Fixed rate notes due for repayment on 19 March 2028	**2,603.86**	-
2.750 % Fixed rate notes due for repayment on 1 February 2027	**4,045.23**	3,529.38
4.250 % Fixed rate notes due for repayment on 26 February 2026	**3,271.97**	3,274.75
4.375 % Fixed rate notes due for repayment on 26 November 2024	**3,331.35**	3,336.43
4.750 % Fixed rate notes due for repayment on 3 October 2022	**3,281.50**	3,286.50
7.250 % Fixed global INR denominated bonds due for repayment on 3 May 2022	**2,126.07**	-
7.375 % Fixed green global INR denominated bonds due for repayment on 10 August 2021	**2,085.26**	2,066.05
5.625 % Fixed rate notes due for repayment on 14 July 2021	**3,320.98**	3,326.04
Term loans		
From Banks		
Unsecured		
Foreign currency loans	**8,499.07**	7,782.47
Rupee term loans	**37,790.81**	29,979.46
From Others		
Unsecured		
Foreign currency loans (guaranteed by GOI)	**2,033.65**	2,102.96
Other foreign currency loans	**3,466.13**	3,516.85
Rupee term loans	**6,472.96**	8,141.03
Finance lease obligations		
Secured	**1.42**	2.40
Unsecured	**182.92**	142.62
	1,16,359.25	1,05,000.57
Less:		
Current maturities of		
Bonds-secured	**2,209.00**	650.00
Foreign currency loans from banks - unsecured	**694.16**	1,681.74
Rupee term loans from banks - unsecured	**1,859.89**	2,111.00
Foreign currency loans from others - unsecured (guaranteed by GOI)	**181.85**	172.58

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Other foreign currency loans from others - unsecured	**529.01**	507.52
Rupee term loans from others - unsecured	**898.52**	1,359.38
Finance lease obligations - secured	**0.72**	0.78
Finance lease obligations - unsecured	**33.54**	17.37
Interest accrued but not due on borrowings	**1,254.96**	1,160.92
Total	**1,08,697.60**	97,339.28

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

i) Unsecured foreign currency loans (guaranteed by GOI) - Others carry fixed rate of interest ranging from 1.80% p.a. to 2.30% p.a. and are repayable in 17 to 26 semi annual installments as of 31 March 2018.

ii) Unsecured foreign currency loans – Banks include loans of ₹ **352.80 crore** (31 March 2017: ₹ 463.02 crore) which carry fixed rate of interest of 1.88% p.a. to 4.31% p.a. and loans of ₹ **8,146.27 crore** (31 March 2017: ₹ 7,319.45 crore) which carry floating rate of interest linked to 6M USD LIBOR/6 M JPY LIBOR. These loans are repayable in 2 to 21 semi-annual/annual installments as of 31 March 2018, commencing after moratorium period if any, as per the terms of the respective loan agreements.

iii) Unsecured foreign currency loans – Others include loans of ₹ **3,342.55 crore** (31 March 2017: ₹ 3,300.64 crore) which carry fixed rate of interest ranging from 1.88% p.a. to 4.31% p.a. and loans of ₹ **123.58 crore** (31 March 2017: ₹ 216.21 crore) which carry floating rate of interest linked to 6M EURIBOR. These loans are repayable in 4 to 22 semi annual installments as of 31 March 2018, commencing after moratorium period if any, as per the terms of the respective loan agreements.

iv) Unsecured rupee term loans carry interest rate ranging from 6.571% p.a. to 8.76% p.a. with monthly/half-yearly rests. These loans are repayable in quarterly/half-yearly/yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of 7 to 16 years after a moratorium period of 3 to 6 years.

b) The finance lease obligations are repayable in installments as per the terms of the respective lease agreements generally over a period of 4 to 99 years.

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

Details of securities

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

II Secured by (I) English mortgage, on first pari passu charge basis, of the office premises of the Company at Mumbai and (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement.

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

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

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

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

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

VIII Secured by (I) English mortgage, on first pari passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement and (III) Equitable mortgage of the immovable properties, on first pari passu charge basis, pertaining to Singrauli Super Thermal Power Station by extension of charge already created.

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

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

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

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

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

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

23. Non-current financial liabilities - Trade payables

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Trade payable for goods and services	23.31	13.17

a) Trade payables for goods and services include ₹ **5.49 crore** (31 March 2017: ₹ 5.18 crore) payable to MSME vendors. Detailed disclosures as required under MSMED Act, 2006 are provided in Note 72.

b) Amounts payable to related parties are disclosed in Note 60.

24. Non-current liabilities - Other financial liabilities

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Payable for capital expenditure	1,970.71	1,999.77
Deposits from contractors and others	1.72	1.72
Others	192.26	245.64
Total	2164.69	2247.13

a) Payable for capital expenditure include ₹ **9.99 crore** (31 March 2017: ₹ 9.91 crore) payable to MSME vendors. Detailed disclosures as required under MSMED Act, 2006 are provided in Note 72.

b) Others mainly include amount payable to the Department of Water Resource, Government of Odisha pursuant to the Resolution No. 11011 dated 18 May 2015.

c) Amounts payable to related parties are disclosed in Note 60.

25. Non-current liabilities - Provisions

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits	480.90	463.15

Disclosures as per Ind AS 19 'Employee benefits' are provided in Note 57.

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

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax liability		
Difference in book depreciation and tax depreciation	13,609.45	10,065.74
Less: Deferred tax assets		
Provisions	1,109.69	1,025.09
Statutory dues	543.95	492.37
Leave encashment	273.35	430.69
Others	29.86	93.08
	11,652.60	8,024.51
Less: Deferred asset for deferred tax liability	9,243.97	6,539.67
Total	2,408.63	1,484.84

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

b) CERC Regulations, 2014 provide for recovery of deferred tax liability as on 31 March 2009 from the beneficiaries. Accordingly, deferred tax liability as on 31 March 2009 is recoverable on materialization from the beneficiaries. For the period commencing from 1 April 2014, CERC Regulations, 2014 provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Deferred asset for deferred tax liability for the period commencing from 1 April 2014 will be reversed in future years when the related deferred tax liability forms part of current tax.

c) Disclosures as per Ind AS 12 'Income Taxes' are provided in Note 55.

Movement in deferred tax balances

As at 31 March 2018

₹ Crore

Particulars	Net balance As at 1 April 2017	Recognized in statement of profit and loss	Recognized in OCI	Others	**Net balance As at 31 March 2018**
Difference in book depreciation and tax depreciation	10,065.74	3,543.71	-	-	**13,609.45**
Provisions	1,025.09	84.60	-	-	**1,109.69**
Statutory dues	492.37	51.58	-	-	**543.95**
Leave encashment	430.69	(157.34)	-	-	**273.35**
Others	93.08	(63.22)	-	-	**29.86**
Tax (assets)/liabilities	8,024.51	3,628.09	-	-	**11,652.60**
Less: Deferred asset for deferred tax liability	6,539.67	2,704.30			**9,243.97**
Net tax (assets)/liabilities	1,484.84	923.79	-	-	**2,408.63**

As at 31 March 2017

₹ Crore

Particulars	Net balance As at 1 April 2016	Recognized in statement of profit and loss	Recognized in OCI	Other	Net balance As at 31 March 2017
Difference in book depreciation and tax depreciation	8,153.38	1,912.41	-	-	10,065.79
Provisions	713.01	312.08	-	-	1,025.09
Statutory dues	174.44	317.93	-	-	492.37
Leave encashment	342.45	88.24	-	-	430.69
Others	107.86	(14.78)	-	-	93.08
Tax (assets)/liabilities	6,815.61	1,208.90	-	-	8,024.51
Less: Deferred asset for deferred tax liability	5,663.40	876.27			6,539.67
Net tax (assets)/liabilities	1,152.21	332.63	-	-	1,484.84

27. Non-current liabilities - Other non-current liabilities

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Advance from customers and others	-	17.49

Represents deposits received from the contractors, customers and other parties for Deen Dayal Upadhayay Gram Jyoti Yojna. Refer Note 31 a.

28. Current financial liabilities -Borrowings

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Loans repayable on demand		
From banks		
Unsecured		
Cash credit	**0.32**	0.56
Other loans		
Unsecured		
Commercial paper	**6,500.00**	3,000.00
Total	**6,500.32**	3,000.56

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

29. Current financial liabilities - Trade payables

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Trade payable for goods and services	**5,592.64**	4,876.08

a) Trade payables include ₹ **276.11 crore** (31 March 2017: ₹ 186.65 crore) payable to MSME vendors. Detailed disclosures as required under MSMED Act, 2006 are provided in Note 72.

b) Amounts payable to related parties are disclosed in Note 60.

30. Current liabilities - Other financial liabilities

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of non-current borrowings		
Bonds - Secured	**2,209.00**	650.00
From Banks		
Unsecured		
Foreign currency loans	**694.16**	1,681.74
Rupee term loans	**1,859.89**	2,111.00
From Others		
Unsecured		
Foreign currency loans (guaranteed by GOI)	**181.85**	172.58
Other foreign currency loans	**529.01**	507.52
Rupee term loans	**898.52**	1,359.38
	6,372.43	6,482.22
Current maturities of finance lease obligations - Secured	**0.72**	0.78
Current maturities of finance lease obligations - Unsecured	**33.54**	17.37
Interest accrued but not due on borrowings	**1,254.96**	1,160.92
Unpaid dividends	**16.51**	17.61
Unpaid matured deposits and interest accrued thereon	**0.19**	0.19
Unpaid matured bonds and interest accrued thereon	**4.20**	3.29
Unpaid bond refund money-Tax free bonds	**0.26**	0.26
Book overdraft	**1.29**	-
Payable to customers	**358.08**	562.81
Payable for capital expenditure	**11,813.97**	9,578.24
Hedging gain payable to beneficiaries	**6.27**	-
Derivative MTM liability	**-**	1.60
Other payables		
Deposits from contractors and others	**162.95**	124.69
Payable to employees	**735.95**	516.88
Others	**647.66**	712.54
Total	**21,408.98**	19,179.40

a) Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured non-current borrowings indicated above are disclosed in Note 22.

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

c) Other payable - Others mainly includes ₹ **263.10 crore** (31 March 2017: ₹ 238.93 crore) towards the implementation of Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) Scheme of the GOI being carried out by the Company. The funds for the implementation of these schemes are provided by the agencies nominated by the GOI in this regard. Further, other payable - others also include ₹ **211.49 crore** (31 March 2017: ₹ 120.75 crore) payable to the Department of Water Resource, Government of Odisha and amount payable to hospitals, parties for stale cheques etc.

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

e) Payable for capital expenditure include ₹**159.23 crore** (31 March 2017: ₹ 146.13 crore) payable to MSME vendors. Detailed disclosures as required under MSMED Act, 2006 are provided in Note 72.

f) Amounts payable to related parties are disclosed in Note 60.

g) In the previous year figures, an amount of ₹ 240.14 crore has been regrouped from Payable to customers to Other payables - Others, to enhance comparability with the current year's financial statements.

31. Current liabilities - Other current liabilities

₹ **Crore**

Particulars	**As at 31 March 2018**	As at 31 March 2017
Advances from customers and others	**454.33**	690.10
Other payables		
Statutory dues	**509.66**	391.06
Total	**963.99**	1,081.16

Advance received for the DDUGJY (including interest thereon) of ₹ **313.97 crore** (31 March 2017: ₹ 597.75 crore) is included in 'Advance from customers and others'. Refer Note 30 c). Tax deducted at source on the interest is included in 'Advance tax and tax deducted at source' - Note 11.

32. Current liabilities - Provisions

₹ **Crore**

Particulars	**As at 31 March 2018**	As at 31 March 2017
Provision for		
Employee benefits	**2,936.65**	2,388.05
Obligations incidental to land acquisition	**3,465.00**	3,695.78
Tariff adjustment	**330.10**	1,170.79
Others	**1,357.08**	710.30
Total	**8,088.83**	7,964.92

a) Disclosures required by Ind AS 19 'Employee Benefits' are provided in Note 57.

b) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are made in Note 64.

c) The pay revision of the employees of the Company is due w.e.f. 1 January 2017. Department of Public Enterprises, GOI (DPE) had constituted the 3rd Pay Revision Committee (PRC) to review the structure of pay scales and allowances/benefits of various categories of Central Public Sector Enterprises. Based on the recommendations of the 3rd PRC, DPE has issued broad guidelines for pay revision. Based on the proposal of the Company to GOI on 6 September 2017, presidential directive has been issued on 10 May 2018. Presidential directive states adherence of relevant DPE guidelines which requires approval of the Board of Directors (BOD) of the Company. Pending approval by the BOD, provision for pay revision has been recognized on an estimated basis amounting to ₹**1,203.28 crore** as at 31 March 2018 (31 March 2017: ₹ 260.24 crore).

d) The Company aggrieved over many of the issues considered by the CERC in the tariff orders for its stations for the period 2004-09 had filed appeals with the Appellate Tribunal for Electricity (APTEL). The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per directions and methodology given. Some of the issues decided in favour of the Company by the APTEL were challenged by the CERC in the Hon'ble Supreme Court of India. Subsequently, the CERC has issued revised tariff orders for all the stations except one for the period 2004-09, considering the judgment of APTEL subject to disposal of appeals pending before the Hon'ble Supreme Court of India.

The Hon'ble Supreme Court of India has dismissed the appeal filed by the CERC and accordingly the directions of APTEL to CERC stands good. Keeping in view the above, the provision created amounting to ₹ 1,156.32 crore made till 31 March 2017 towards anticipated tariff adjustments, has been written back during the year.

e) Provision for others mainly comprise ₹ **73.15 crore** (31 March 2017: ₹ 68.24 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2 (Refer Note 65), ₹ **1,279.31 crore** (31 March 2017: ₹ 640.25 crore) towards provision for cases under litigation and ₹ **4.62 crore** (31 March 2017: ₹ 1.81 crore) towards provision for shortage in property, plant and equipment on physical verification pending investigation.

33. Current liabilities - current tax liabilities (net)

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Current tax - net of advance tax of ₹ **Nil** (31 March 2017: ₹ 2,637.00 crore)	-	75.20

34. Deferred revenue

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
On account of		
Advance against depreciation	**74.35**	247.02
Income from foreign currency fluctuation	**1,435.35**	1,376.67
Government grants	**576.20**	497.45
Total	**2,085.90**	2,121.14

a) Advance against depreciation (AAD) was an element of tariff provided under the Tariff Regulations for 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff considering a useful life of 25 years is not adequate for debt servicing. Though this amount is not repayable to the beneficiaries, keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Since AAD is in the nature of deferred revenue and does not constitute a liability, it has been disclosed in this note separately from equity and liabilities.

b) In line with significant accounting policy no. C.15 (Note 1), an amount of ₹ **297.91 crore** (31 March 2017: ₹ 32.92 crore) has been recognized during the year from the AAD and included in energy sales (Note 36). The AAD recognized during the year includes ₹ 125.24 crore for the tariff period 2004-09 in respect of one of the stations as per CERC order dated 18 July 2017. The same has also been recognized as energy sales during the year.

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

d) Government grants include ₹ **575.93 crore** (31 March 2017: ₹ 497.14 crore) received from Solar Energy Corporation of India under MNRE Scheme for setting up solar PV power projects.

35. Regulatory deferral account credit balances

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Exchange differences	-	482.74

Regulatory deferral account balances have been accounted in line with accounting policy no. C.4. Refer Note 71 for detailed disclosures.

36. Revenue from operations

₹ Crore

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Energy sales (including electricity duty)		**79,673.58**	77,071.11
Sale of energy through trading		**1,439.58**	-
Consultancy, project management and supervision fee		**182.80**	163.71
Lease rentals on assets on operating lease		**233.13**	240.42
		81,529.09	77,475.24
Sale of fly ash/ash products	**131.02**		108.42
Less: Transferred to fly ash utilisation reserve fund	**131.02**		108.42
		-	-
Other operating revenues			
Interest from beneficiaries		**487.54**	397.09
Energy internally consumed		**63.41**	68.93
Interest income on assets under finance lease		**166.52**	154.31
Recognized from deferred revenue - government grant		**36.00**	15.38
Sale of energy saving certificates		**11.17**	-
Provisions for tariff adjustments written back		**1,158.97**	162.49
		1,923.61	798.20
Total		**83,452.70**	78,273.44

a) The CERC notified the Tariff Regulations, 2014 in February 2014 (Regulations, 2014). The CERC has issued tariff orders for all the stations except six stations for the period 2014-19, under Regulations, 2014, and beneficiaries are billed based on such tariff orders issued by the CERC. For other stations, beneficiaries are billed in accordance with the principles given in the Regulations, 2014. The energy charges in respect of the coal based stations are provisionally billed based on the GCV of coal 'as received', measured at wagon top samples in respect of most of the stations barring a few on the grounds of safety issues, for the quantity supplied through conveyors/road and other difficulties. The amount provisionally billed is ₹ **80,670.65 crore** (31 March 2017: ₹ 74,710.65 crore).

b) The Company has filed a writ petition before the Hon'ble Delhi High Court contesting certain provisions of the Regulations, 2014. As per directions from the Hon'ble High Court on the issue of point of sampling for measurement of GCV of coal on 'as received' basis, CERC has issued an order dated 25 January 2016 (subject to final decision of the Hon'ble High Court) that samples for measurement of coal on 'as received' basis should be collected from wagon top at the generating stations. The Company's review petition before the CERC in respect of the above order was dismissed vide their order dated 30 June 2016. Vide order dated 10 November 2016, the Hon'ble Delhi High Court has permitted the Company to approach the CERC with the difficulties being faced in implementation of the order of CERC in this regard and the Company has filed a petition with the CERC. Pending disposal of the petition by the CERC and ratification by the Hon'ble Delhi High Court, measurement of GCV of coal is being done from wagon top samples in respect of most of the stations barring a few on the grounds of safety issues, for the quantity supplied through conveyors/road and other difficulties.

Sales have been provisionally recognized at ₹ **79,683.50 crore** (31 March 2017: ₹ 75,800.54 crore) on the said basis.

c) Sales include ₹ **6.44 crore** (31 March 2017: ₹ 995.59 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL). This includes reversal of sales amounting to ₹ 267.99 crore in respect of one of the stations, considering the directions issued by the CERC on 28 September 2017. Further, sales for the year amounting to ₹ 96.73 crore has not been recognized considering the said directions.

d) Sales include ₹ **210.33 crore** (31 March 2017: ₹ Nil) on account of income tax refundable to the beneficiaries as per Regulations, 2004. Sales also include ₹ **66.98 crore** (31 March 2017: ₹ 46.04 crore) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2014.

e) The commercial operation date (COD) of one of the stations of the Company declared by the Company as 14 November 2014 was challenged by one of its beneficiaries. CERC vide order dated 20 September 2017 directed to consider the COD of the said unit as 8 March 2016 in place of 14 November 2014. The Company filed an appeal against this order in APTEL which has been admitted. Pending disposal of the appeal and considering the said order of the CERC, sales of ₹ 248.75 crore recognized till 7 March 2016 has been reversed and balance amounting to ₹ 276.69 crore has been provided as 'Provision for tariff adjustment' for the period upto 31 March 2017 (Refer Note 41). Sales for the current year has been recognized as per the said order.

f) Energy sales include electricity duty amounting to ₹ **879.77 crore** (31 March 2017: ₹697.99 crore).

g) Energy sales are net of rebate to beneficiaries amounting to ₹**752.78 crore** (31 March 2017: ₹469.05 crore).

h) Other operating revenue includes ₹ **63.41 crore** (31 March 2017: ₹ 68.93 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges in Note 41.

i) CERC Regulations provides that where after the truing-up, the tariff recovered is less/more than the tariff approved by the Commission, the generating Company shall recover/pay from/to the beneficiaries the under/over recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries amounting to ₹ **487.54 crore** (31 March 2017: ₹ 397.09 crore) has been accounted as 'Interest from beneficiaries'. Further, the amount payable to the beneficiaries has been accounted as 'Interest to beneficiaries' in Note 41.

j) Provision for tariff adjustments written back include ₹1,156.32 crore written back during the year based on disposal of a petition in favour of the Company by the Hon'ble Supreme Court of India. Refer Note 32 (d).

k) One of the power stations of the Company, having 3 units of 95 MW each and two units of 210 MW each, was issued consent to operate (Renewal) order by Delhi Pollution Control Committee (DPCC) on 2 Jan 2014 which was valid till 31 Jan 2018 with a condition that particulate emission level shall not exceed 150 mg/Nm3. In a volte- face on 8 July 2015, DPCC issued a show cause notice to the station as to why four units out of five units of plant ought not to be closed down for failing to bring down its particulate emission level below 50 mg/Nm3. Further, vide order dtd 31 Dec 2015, DPCC directed that four units out of five units of plant shall not operate. On 11 February 2016, DPCC modified the norms for particulate emission level of the consent to operate from 150 mg/Nm3 to 50 mg/Nm3. Further, vide order dated 21 March 2016, DPCC allowed operation of 2 units of 210 MW subject to meeting the SPM of 50 mg/Nm3. Further, DPCC vide order dated 6 November 2016, directed not to operate all units of station for 10 days which was subsequently extended till further orders. DPCC, vide order dated 14 March 2017 has allowed operation of two units of 210 MW each for the period from 15 March 2017 to 15 October 2017. Subsequently, DPCC vide order dated 1 March 2018 allowed the station to operate two units of 210 MW each from 1 March 2018. Company's petitions to direct beneficiaries for payment of fixed charges on account of closure due to DPCC's directions which are under change in law are pending disposal before the CERC.

l) Keeping in view the provisions of Appendix C to Ind AS 17 Leases w.r.t. determining whether an arrangement contains a lease, the Company has ascertained that the PPA entered into for two of the power stations of the Company fall under operating lease. Recovery of capacity charges towards depreciation (including AAD), interest on loan capital & return on equity (pre-tax) components from the beneficiaries are considered as lease rentals on the assets which are on operating lease.

m) Keeping in view the provisions of Appendix C to Ind AS 17 Leases w.r.t. determining whether an arrangement contains a lease, the Company has ascertained that the PPA entered into for Stage-I of a power station with the beneficiary falls under the definition of finance lease. Accordingly, the written down value of the specified assets has been derecognized from PPE and accounted as Finance Lease Receivable (FLR). Recovery of capacity charges towards depreciation (including AAD), interest on loan capital & return on equity (pre-tax) components from the beneficiary are adjusted against FLR. The interest component of the FLR and amount received on account of revision of tariff of previous periods in respect of the above three elements are recognized as 'Interest income on Assets under finance lease'.

37. Other income

₹ **Crore**

Particulars		**For the year ended 31 March 2018**	For the year ended 31 March 2017
Interest from			
Financial assets at amortized cost			
Loan to state government in settlement of dues from customers		-	2.03
Loan to subsidiary companies		**16.82**	5.07
Loan to employees		**59.35**	58.88
Deposits with banks		**91.88**	72.49
Deposits with banks out of fly ash utilisation reserve fund	**26.74**		23.92
Less : Transferred to fly ash utilisation reserve fund	**26.74**		23.92
		-	-
Deposits with banks - DDUGJY funds	**27.83**		36.27
Less : Transferred to DDUGJY advance from customers	**27.83**		36.27
		-	-
Advance to contractors		**38.48**	44.69
Income tax refund	**2,750.44**		-
Less : Refundable to beneficiaries	**2,344.75**		-
		405.69	-

₹ Crore

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Others		**19.24**	23.81
Dividend from			
Non-current investments in			
Subsidiary companies		**50.00**	20.00
Joint venture companies		**135.57**	143.09
Equity instruments designated at fair value through OCI		**3.60**	3.00
Current investments in mutual funds out of fly ash utilisation reserve fund	-		3.71
Less : Transferred to fly ash utilisation reserve fund	-		3.71
		-	-
Other non-operating income			
Late payment surcharge from beneficiaries		**507.00**	439.39
Hire charges for equipment		**2.50**	3.38
Sale of scrap		**136.90**	83.13
Gain on sale of current investments measured at fair value through profit and loss		**137.51**	24.81
Miscellaneous income		**161.35**	200.28
Profit on de-recognition of property, plant and equipment		**2.37**	10.36
Provisions written back			
Impairment of investments in joint venture companies		**26.15**	-
Unserviceable capital works		**-**	4.62
Obsolescence in stores		**10.61**	1.55
Others		**4.73**	6.21
		1,809.75	1,146.79
Less: Transferred to expenditure during construction period (net) - Note 42		**49.36**	76.33
Transferred to expenditure during development of coal mines (net) - Note 43		**5.14**	1.60
Total		**1,755.25**	1,068.86

a) Interest from others includes interest on advance to APIIC for drawl of water and deposits with LIC towards annuity to the land losers.

b) Miscellaneous income includes income from township recoveries and receipts towards insurance claims.

c) Provisions written back - Others include provision for doubtful loans, advances, claims, provision for shortage in stores and shortage in property, plant and equipment.

38. Employee benefits expense

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	**4,845.85**	4,037.01
Contribution to provident and other funds	**623.43**	1,077.82
Staff welfare expenses	**558.99**	441.24
	6,028.27	5,556.07
Less: Allocated to fuel cost	**265.29**	262.77
Transferred to expenditure during construction period (net) - Note 42	**851.39**	761.83
Transferred to expenditure during development of coal mines (net) - Note 43	**72.41**	57.26
Transferred to fly ash utilisation reserve fund	**19.02**	20.80
Transferred to CSR expenses	**-**	54.90
Reimbursements for employees on deputation	**85.49**	73.91
Total	**4,734.67**	4,324.60

a) Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 57.

b) Salaries and wages include special allowance paid by the Company to eligible employees serving in difficult and far flung areas w.e.f. 26 November 2008. As per the Office Memorandum dated 26 November 2008 of DPE relating to revision of pay scales w.e.f. 1 January 2007, special allowance can be paid to such employees upto 10% of basic pay as approved by concerned administrative ministry. In line with the office memorandum dated 22 June 2010 of DPE, Board of Directors has approved the special allowance (Difficult and Far Flung Areas) to eligible employees. The approval of Ministry of Power, GOI for the same is awaited.

c) The pay revision of the employees of the Company is due w.e.f. 1 January 2017. The required provision towards revision of pay scales has been recognized during the year. Refer Note 32 (c).

39. Finance costs

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Finance costs on financial liabilities measured at amortized cost		
Bonds	**2,793.01**	2,492.45
Foreign currency term loans	**345.52**	354.19
Rupee term loans	**3,246.43**	3,507.37
Foreign currency bonds/notes	**1,087.98**	763.41
Cash credit	**3.70**	7.30
Unwinding of discount on vendor liabilities	**286.84**	487.60
Discount on commercial papers	**62.57**	63.00
Others	**1.73**	0.47
	7,827.78	7,675.79
Exchange differences regarded as an adjustment to borrowing costs	**274.05**	-
Other borrowing costs		
Guarantee fee		
Foreign currency bonds/notes expenses	**28.97**	31.68
Others	**0.22**	0.57
	9.12	14.24
	38.31	46.49
	8,140.14	7,722.28
Less: Transferred to expenditure during construction period (net) - Note 42	**3,958.95**	4,005.33
Transferred to expenditure during development of coal mines (net) - Note 43	**196.94**	119.75
Total	**3,984.25**	3,597.20

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

40. Depreciation, amortization and impairment expense

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
On property, plant and equipment - Note 2	7,822.27	6,570.06
On intangible assets - Note 4	24.76	22.37
	7,847.03	6,592.43
Less:		
Allocated to fuel cost	395.17	345.93
Transferred to expenditure during construction period (net) - Note 42	156.87	148.38
Transferred to expenditure during development of coal mines (net) - Note 43	40.09	14.20
Adjustment with deferred revenue from deferred foreign currency fluctuation	156.04	163.10
Total	7,098.86	5,920.82

41. Other expenses

₹ Crore

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Power charges	337.54		238.60
Less: Recovered from contractors and employees	28.88		27.55
		308.66	211.05
Water charges		841.12	553.45
Cost of captive coal		316.97	33.72
Stores consumed		73.61	57.48
Rent	29.41		35.91
Less: Recoveries	5.89		11.50
		23.52	24.41
Load dispatch center charges		38.96	28.74
Repairs and maintenance			
Buildings	260.71		244.14
Plant and equipment	2,185.40		1,826.68
Others	308.86		238.89
		2,754.97	2,309.71
Insurance		116.24	117.19
Interest to beneficiaries		12.00	101.72
Rates and taxes		82.09	46.84
Water cess and environment protection cess		13.64	25.93
Training and recruitment expenses	50.55		33.64
Less: Receipts	0.52		0.98
		50.03	32.66
Communication expenses		51.71	59.03
Travelling expenses		199.08	200.76

₹ Crore

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Tender expenses	22.79		25.12
Less: Receipt from sale of tenders	1.65		1.83
		21.14	23.29
Payment to auditors		5.44	5.36
Advertisement and publicity		30.74	18.88
Electricity duty		881.51	699.59
Security expenses		710.85	595.31
Entertainment expenses		29.02	26.95
Expenses for guest house	35.94		27.77
Less: Recoveries	1.40		2.74
		34.54	25.03
Education expenses		52.19	42.97
Donation		8.00	-
Ash utilisation and marketing expenses		25.71	21.78
Directors sitting fee		0.34	0.21
Professional charges and consultancy fee		59.51	112.75
Legal expenses		44.83	40.45
EDP hire and other charges		22.04	18.42
Printing and stationery		10.96	15.59
Oil and gas exploration expenses		2.83	110.58
Hiring of vehicles		96.96	87.14
Reimbursement of LC charges on sales realization		0.26	1.08
Net loss/(gain) in foreign currency transactions and translations		538.00	(199.04)
Cost of hedging		1.62	5.27
Derivatives MTM loss/(gain) (net)		(5.33)	5.22
Horticulture expenses		46.56	39.79
Hire charges of helicopter/aircraft		15.63	17.02
Hire charges of construction equipments		11.60	9.42
Transport vehicle running expenses		6.74	7.01
Demurrage charges		0.74	-
Loss on de-recognition of property, plant and equipment		110.67	82.94
Miscellaneous expenses		166.26	99.96
		7,811.96	5,715.66
Less: Allocated to fuel cost		490.57	421.65
Transferred to expenditure during construction period (net) - Note 42		532.92	411.56
Transferred to expenditure during development of coal mines (net) - Note 43		363.41	144.01
Transferred to derivative MTM loss/(gain) recoverable (payable) from/to beneficiaries		(5.33)	5.22
Transferred to fly ash utilisation reserve fund		51.14	33.12
Transferred to CSR expense		39.60	42.17
		6,339.65	4,657.93

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Corporate Social Responsibility (CSR) expense (Note 75)	**239.09**	273.35
Provisions for		
Tariff adjustments	**318.28**	98.88
Impairment of investments in joint venture companies	**17.59**	22.19
Obsolescence in stores	**21.95**	12.04
Shortages in stores	**20.41**	3.37
Unserviceable capital works	**359.48**	4.75
Unfinished minimum work programme for oil and gas exploration	**4.92**	2.89
Arbitration cases	**56.05**	4.80
Shortages in construction stores	**12.41**	7.67
Doubtful loans, advances and claims	**28.67**	0.24
Others	**3.23**	4.27
	842.99	161.10
Total	**7,421.73**	5,092.38

a) During the development stage of mine, transfer price of coal extracted from Company's captive mine has been determined considering the notified price of Coal India Ltd. for equivalent grade of coal. The same has been netted from the cost of captive coal and carried to 'Development of coal mines' (Note 3) through 'Transferred to expenditure during development of coal mines' (Note 43).

b) Details in respect of payment to auditors:

As auditor		
Audit fee	**1.76**	1.68
Tax audit fee	**0.57**	0.59
Limited review	**0.97**	0.95
In other capacity		
Other services (certification fee)	**0.76**	0.70
Reimbursement of expenses	**0.86**	0.85
Reimbursement of service tax/GST	**0.52**	0.59
Total	**5.44**	5.36

Payment to the auditors includes ₹ **0.33 crore** (31 March 2017: ₹ 0.67 crore) relating to earlier year.

c) CERC Regulations provides that where after the truing-up, the tariff recovered is more than the tariff approved by the Commission, the generating Company shall pay to the beneficiaries the over recovered amount along-with simple interest. Accordingly, the interest payable to the beneficiaries amounting to ₹ **12.00 crore** (31 March 2017: ₹ 101.72 crore) has been accounted and disclosed as 'Interest to beneficiaries'.

d) Water charges include amount provided against the demand of ₹ **305.55 crore** (31 March 2017: ₹ Nil) at one of the power stations by the state authority for earlier years.

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

f) Provisions for tariff adjustment includes an amount of ₹ 276.69 crore pertaining to the period from 15 November 2014 to 31 March 2017 in respect of CERC order for shifting of COD of one of the station of the Company. The Company filed an appeal in the APTEL, which has been admitted. Refer Note 36 (e).

g) Provisions for shortages in stores include provision for shortage of coal observed on physical verification, beyond the Company's norms, amounting to ₹ **10.98 crore** (31 March 2017: ₹ Nil)

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

42. Expenditure during construction period (net) *

₹ Crore

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
A. Employee benefits expense			
Salaries and wages		**737.96**	582.22
Contribution to provident and other funds		**77.90**	131.61
Staff welfare expenses		**35.53**	48.00
Total (A)		**851.39**	761.83
B. Finance costs			
Finance costs on financial liabilities measured at amortized cost			
Bonds		**1,378.10**	1,335.26
Foreign currency term loans		**163.68**	191.67
Rupee term loans		**1,373.05**	1,634.14
Foreign currency bonds/notes		**531.03**	434.08
Unwinding of discount on vendor liabilities		**271.32**	405.73
Exchange differences regarded as an adjustment to borrowing costs		**233.64**	-
Other borrowing costs			
Foreign currency bonds/notes expenses		**0.15**	0.57
Others		**7.98**	3.88
Total (B)		**3,958.95**	4,005.33
C. Depreciation and amortization expense		**156.87**	148.38
D. Other expenses			
Power charges	**232.33**		138.38
Less: Recovered from contractors and employees	**6.15**		3.33
		226.18	135.05
Water charges		**4.43**	8.55
Rent		**3.14**	3.78
Repairs and maintenance			
Buildings	**6.09**		6.44
Plant and equipment	**0.82**		0.75
Others	**48.07**		33.02
		54.98	40.21
Insurance		**0.51**	0.72
Rates and taxes		**9.80**	13.16
Communication expenses		**6.29**	7.57
Travelling expenses		**41.78**	42.77
Tender expenses		**2.49**	3.88
Advertisement and publicity		**2.91**	1.94
Security expenses		**80.94**	64.93
Entertainment expenses		**4.98**	5.42
Expenses for guest house		**3.96**	3.16
Professional charges and consultancy fee		**8.22**	6.87
Legal expenses		**8.83**	8.10
EDP hire and other charges		**2.10**	2.06
Printing and stationery		**1.44**	1.81
Miscellaneous expenses		**69.94**	61.58
Total (D)		**532.92**	411.56

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
E. Less: Other income		
Interest from advances to contractors	**22.31**	33.05
Interest others	**15.60**	14.83
Hire charges for equipment	**1.97**	2.67
Sale of scrap	**2.26**	2.57
Miscellaneous income	**7.22**	23.21
Total (E)	**49.36**	76.33
F. Net actuarial losses on defined benefit plans	**5.77**	22.40
Grand total (A+B+C+D-E+F) **	**5,456.54**	5,273.17

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

43. Expenditure during development of coal mines (net)

₹ Crore

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
A. Employee benefits expense			
Salaries and wages		**60.35**	45.21
Contribution to provident and other funds		**6.38**	9.09
Staff welfare expenses		**5.68**	2.96
Total (A)		**72.41**	57.26
B. Finance costs			
Finance costs on financial liabilities measured at amortized cost			
Bonds		**63.00**	38.01
Rupee term loans		**132.95**	81.37
Unwinding of discount on vendor liabilities		**0.62**	0.28
Other borrowing costs			
Others		**0.37**	0.09
Total (B)		**196.94**	119.75
C. Depreciation and amortization expense		**40.09**	14.20
D. Other expenses			
Power charges	**0.72**		0.47
Less: Recovered from contractors and employees	**0.11**		0.06
		0.61	0.41
Rent		**1.03**	0.91
Repairs and maintenance			
Buildings	**0.63**		0.52
Plant and equipment	**0.25**		6.31
Others	**1.29**		0.67
		2.17	7.50
Cost of captive coal		**316.97**	33.72
Insurance		**0.02**	0.03
Rates and taxes		**0.50**	0.02

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Communication expenses	**1.37**	1.09
Travelling expenses	**3.56**	2.69
Tender expenses	**0.16**	0.38
Advertisement and publicity	**0.56**	0.63
Security expenses	**14.94**	13.47
Entertainment expenses	**0.66**	0.33
Expenses for guest house	**0.61**	0.39
Professional charges and consultancy fee	**5.67**	72.16
Legal expenses	**0.76**	1.52
EDP hire and other charges	**0.55**	0.51
Printing and stationery	**0.26**	0.18
Miscellaneous expenses	**13.01**	8.07
Total (D)	**363.41**	144.01
E. Less: Other income		
Interest from advances to contractors	**4.03**	1.53
Interest others	**0.88**	-
Miscellaneous income	**0.23**	0.07
Total (E)	**5.14**	1.60
F. Net actuarial losses on defined benefit plans	**0.66**	1.74
Grand total (A+B+C+D-E+F) *	**668.37**	335.36

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

44. Amount in the financial statements are presented in ₹ Crore (upto two decimals) except for per share data and as otherwise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately.

45. a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

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

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

47. The environmental clearance ("clearance") granted by the Ministry of Environment and Forest, Government of India (MoEF) for one of the Company's ongoing project was challenged before the National Green Tribunal (NGT). The NGT disposed the appeal, inter alia, directing that the order of clearance be remanded to the MoEF to pass an order granting or declining clearance to the project proponent afresh in accordance with the law and the judgement of the NGT and for referring the matter to the Expert Appraisal Committee ("Committee") for its re-scrutiny, which shall complete the process within six months from the date of NGT order. NGT also directed that the environmental clearance shall be kept in abeyance and the Company shall maintain status quo in relation to the project during the period of review by the Committee or till fresh order is passed by the MoEF, whichever is earlier. The Company filed an appeal challenging the NGT order before the Hon'ble Supreme Court of India which stayed the order of the NGT and the matter is sub-judice. Two units of 800 MW have been declared commercial

during the year and the last unit of 800 MW capacity is on the verge of completion and expected to be declared commercial in the next financial year. Aggregate cost incurred on the project upto 31 March 2018 is ₹ **15,522.77 crore** (31 March 2017: ₹ 14,461.58 crore). Management is confident that the approval for proceeding with the project shall be granted, hence no provision is considered necessary.

48. The Company is executing a hydro power project in the state of Uttrakhand, where all the clearances were accorded. A case was filed in Hon'ble Supreme Court of India after the natural disaster in Uttrakhand in June 2013 to review whether the various existing and ongoing hydro projects have contributed to environmental degradation. Hon'ble Supreme Court of India on 7 May 2014, ordered that no further construction shall be undertaken in the projects under consideration until further orders, which included the said hydro project of the Company. In the proceedings, Hon'ble Supreme Court is examining to allow few projects which have all clearances which includes the project of the Company where the work has been stopped. Aggregate cost incurred on the project up to 31 March 2018 is ₹ **163.23 crore** (31 March 2017: ₹ 160.75 crore). Management is confident that the approval for proceeding with the project shall be granted, hence no provision is considered necessary.

49 One of the 500 MW unit of a station which was declared commercial on 30 September 2017, met with an unfortunate accident in the boiler occurred due to pressurization of flue gas duct and boiler, damaging the first and second pass of the boiler along-with economizer, outlet duct and hoppers and the unit is under shut down. Payments made towards ex-gratia and treatment charges at various hospitals to the accident victims have been borne by the Company. The unit is covered under insurance policy of the Company against damage to the property. Based on the initial assessment of extent of damage and compensation paid to accident victims, a claim for ₹ 321.74 crore has been lodged with insurance company and accounted for. Discussions are taking place with the equipment supplier for carrying out necessary works for restoration of the unit. The unit is expected to resume operations in the later part of the financial year 2018-19.

50 Disclosure as per Ind AS 1 'Presentation of financial statements'

A) Changes in significant accounting policies:

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

a) Policy B.1 'Statement of compliance' has been modified to include the fact that financial statements are prepared on going concern basis. Additionally, the policy pertaining to first time adoption of Ind AS has been removed as the same is not applicable in the current year.

b) In addition to above, certain other changes have also been made in the policies nos. A, B.2, C, C.1, C.3, C.4, C.5, C.6, C.8, C.9, C.13, C.15, C.16, C.17, C.19, C.21 and policy D for improved disclosures.

There is no impact on the financial statements due to the above changes, however, the policy numbers have been rearranged in the current year as required.

B) Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to:

- enhance comparability with the current year's financial statements

- ensure compliance with the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013"

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

Items of balance sheet before and after reclassification as at 31 March 2017

₹ Crore

Sl. No.	Particulars	Before reclassification	Reclassification	After reclassification
1	Capital work-in-progress (Note 3)	80,522.55	(220.09)	80,302.46
	Intangible assets under development (Note 5)	214.54	220.09	434.63
2	Investment in subsidiary and joint venture companies (Note 6)	8,838.88	(704.25)	8,134.63
	Other financial assets - Non-current (Note 10)	1,164.26	709.92	1,874.18
	Other non-current assets (Note 11)	16,879.15	(5.67)	16,873.48

Items of statement of profit and loss before and after reclassification for the year ended 31 March 2017

₹ Crore

Sl. No.	Particulars	Before reclassification	Reclassification	After reclassification
1	Movement in regulatory deferral account balances	335.74	(71.82)	263.92
	Tax on net movements in regulatory deferral account balances	(71.82)	71.82	-

Items of statement of cash flows before and after reclassification for the year ended 31 March 2017

₹ Crore

Sl. No.	Particulars	Before reclassification	Reclassification	After reclassification
1	Cash flow from operating activities	20,301.37	(287.46)	20,013.91
	Cash flow from investing activities	(24,718.82)	304.71	(24,414.11)
	Cash flow from financing activities	3,202.23	(17.25)	3,184.98

51 Disclosure as per Ind AS 2 'Inventories'

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

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Fuel cost	**48,315.47**	47,572.19
Others (included in Note 41 - Other expenses)	**1,125.63**	1,080.69
Total	**49,441.10**	48,652.88

(b) Carrying amount of inventories pledged as security for borrowings as at 31 March 2018 is ₹ **4,069.58 crore** (31 March 2017: ₹ 4,633.24 crore).

52 Disclosure as per Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

a) Change in depreciation method of mining property:

In accordance with its accounting policies, the Company reviews the depreciation method and useful lives of its assets, other than the assets of generation of electricity business which are governed by CERC Regulations, on an ongoing basis. As a result, during the year, the Company has changed its depreciation method of 'Mining property' related to coal mining business from 'Unit of production method' to '20 years or life of mine, whichever is less'. This change in estimation has not resulted in any impact on the current financial statements, however this change in estimate may have an impact on future amortization expense, the amount of which is impracticable to determine.

b) Changes in provision for current tax relating to earlier years

During the year, the Company has changed its estimates for accounting of the provision for current tax in respect of matters in disputes considering the pronouncements of various appellate authorities/courts and the opinion of an independent expert. Accordingly, the cases where the outflow of tax is considered not probable or otherwise, the provision for current tax has been updated. This has led to change in estimation of uncertain tax position and consequential reduction of current tax provision related to earlier years by ₹ 951.30 crore. This change in estimation of uncertain tax positions may also have an impact on future current tax expense, the amount of which is impracticable to determine.

c) Recent accounting pronouncements

Standards issued but not yet effective:

Ind AS 115 'Revenue from Contracts with Customers'

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, 'Revenue from Contract with Customers'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

53 Disclosure as per Ind AS 10 'Events after the Reporting Period'

Subsequent events:

The Board of Directors of the Company, in its meeting held on 29 December 2017, accorded investment approvals for following acquisitions:

a) Acquisition of Barauni Thermal Power Station (BTPS) from Bihar State Power Generation Co. Ltd. (BSPGCL)
b) Acquisition of BSPGCL's equity in Nabinagar Power Generating Company Pvt. Ltd. (NPGCL), a joint venture company
c) Acquisition of BSPGCL's equity in Kanti Bijlee Utpadan Nigam Ltd. (KBUNL), a subsidiary company

On 15 May 2018, the Company has signed a Memorandum of Understanding (MoU) with Government of Bihar and Bihar power utilities for the above acquisitions.

However, these acquisitions are subject to approval from the concerned regulatory authorities which are not perfunctory and considered to be substantive. Once the requisite approvals are in place, BTPS will be merged with the Company and KBUNL and NPGCL will become wholly owned subsidiaries of the Company. Investments (a) and (b) shall be accounted for as business combination as per Ind AS 103, 'Business Combinations', once the acquisition date is achieved. Further, investment (c) which is for acquisition of BSPGCL's equity in KBUNL shall be accounted for as transaction with non-controlling interests, as per Ind AS 110, 'Consolidated Financial Statements'. The Company is unable to estimate the financial effect of above transactions.

54. Disclosure as per Ind AS 11 - 'Construction contracts'

The net balance sheet position for ongoing construction contracts is as follows:

₹ Crore

Particulars	For the year ended	
	31 March 2018	31 March 2017
Contract revenue recognized during the year	**128.35**	117.42
Aggregate amount of contract costs incurred and recognized profits (less recognized losses, if any) upto the balance sheet date for all contracts in progress as at that date	**1013.46**	768.35

₹ Crore

Particulars	For the year ended	
	31 March 2018	31 March 2017
Amount of customers' advances outstanding for contracts in progress as at balance sheet date	**346.85**	637.58
Retention amounts by customer for contract work in progress as at the end of the financial year	**1.40**	1.21
Gross amount due from customer for contract work- presented as assets	**44.40**	56.28
Gross amount due to customer for contract work - presented as liabilities	**34.29**	23.56

The methods used to recognize contract revenue and the methods used to determine the stage of completion of contracts in progress are disclosed in accounting policy no. C.15.2 (Note 1).

55. Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

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

₹ Crore

Particulars	For the year ended	
	31 March 2018	31 March 2017
Current tax expense		
Current year	**2,576.80**	2,705.75
Adjustment for earlier years	**(951.30)**	(107.56)
Pertaining to regulatory deferral account balances (A)	**150.04**	71.82
Total current tax expense (B)	**1,775.54**	2,670.01
Deferred tax expense		
Origination and reversal of temporary differences	**3,631.64**	1,287.31
Less: Deferred asset for deferred tax liability	**2,707.85**	954.68
Total deferred tax expense (C)	**923.79**	332.63
Income tax expense (D=B+C-A)	**2,549.29**	2,930.82
Pertaining to regulatory deferral account balances	**150.04**	71.82
Total tax expense including tax on movement in regulatory deferral account balances	**2,699.33**	3,002.64

ii) Income tax recognized in other comprehensive income

₹ Crore

Particulars	For the year ended					
	31 March 2018			31 March 2017		
	Before tax	**Tax expense/ (benefit)**	**Net of tax**	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial losses on defined benefit plans	**(9.26)**	**(1.98)**	**(7.28)**	(303.42)	(64.76)	(238.66)
- Net gains/(losses) on fair value of equity instruments	**(7.20)**	**-**	**(7.20)**	35.28	-	35.28
	(16.46)	**(1.98)**	**(14.48)**	(268.14)	(64.76)	(203.38)

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

₹ Crore

Particulars	For the year ended	
	31 March 2018	31 March 2017
Profit before tax including movement in regulatory deferral account balances	**13,042.50**	12,387.90
Tax using the Company's domestic tax rate of 34.608% (31 March 2017: 34.608%)	**4,513.75**	4,287.20
Tax effect of:		
Non-deductible tax expenses	**(16.53)**	169.55
Tax-exempt income	**(40.37)**	(35.88)
Foreign exchange differences	**0.26**	0.13
Previous year tax liability	**(951.30)**	(107.56)
Minimum alternate tax adjustments	**(806.48)**	(1,310.80)
Total tax expense recognized in the statement of profit and loss	**2,699.33**	3,002.64

(b) **Tax losses carried forward**

₹ Crore

Particulars	As at 31 March 2018	Expiry date	As at 31 March 2017	Expiry date
Unused tax losses for which no deferred tax asset has been recognized	**7,030.96**	-	-	-

Deferred tax asset have not been recognized in respect of the tax losses incurred by the Company that is not likely to generate taxable income in the foreseeable future. In terms of the provisions of the Income Tax Act, 1961, business loss due to unabsorbed depreciation can be carried forward for an unlimited period.

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

Since year ended 31 March 2018, the Directors have recommended the payment of final dividend amounting to ₹ **1,970.67 crore** (31 March 2017: ₹ 1,789.27 crore). The dividend distribution tax on this proposed dividend amounting to ₹ **405.08 crore** (31 March 2017: ₹ 364.25 crore) has not been recognized since this proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

(d) **MAT credit available to the Company in future but not recognized in the books:**

₹ Crore

Financial years	As at 31 March 2018	Expiry date	As at 31 March 2017	Expiry date
For the year 2017-18	**2,726.16**	**31 March 2033**	-	-
For the year 2016-17	**1,875.44**	**31 March 2032**	1,864.23	31 March 2027
For the year 2015-16	**1,708.82**	**31 March 2031**	1,708.82	31 March 2026
For the year 2014-15	**883.58**	**31 March 2030**	883.58	31 March 2025

(e) During the year, the Company has changed its estimates for accounting of the provision for income tax in respect of matters in disputes considering the pronouncements of various appellate authorities/courts and the opinion of an independent expert. Refer Note 52 b).

56. Disclosure as per Ind AS 17 'Leases'

a) Operating leases

i. Leases as lessee:

a) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. An amount of ₹ **20.82 crore** (31 March 2017: ₹ 29.69 crore) towards lease payments (net of recoveries) in respect of premises for residential use of employees is included under 'Salaries and wages' in Note 38. Lease payments in respect of premises for offices and guest house/transit camps amounting ₹ **23.52 crore** (net of recoveries) (31 March 2017: ₹ 24.41 crore) are included under 'Rent' in Note 41.

b) The Company has taken a helicopter on wet lease basis for a period of eleven years and the amount of lease charges of ₹**15.63 crore** (31 March 2017: ₹ 17.02 crore) is included under 'Hire charges of helicopter/aircraft' in Note 41. The lease is renewable on mutually agreed terms but are not non-cancellable.

c) Ministry of Power, Government of India vide its notification no. 2/38/99-BTPS (Volume VII) dated 22 September 2006 transferred land of a power station to the Company on operating lease of 50 years. Lease rent for the year amounting to ₹ **6.29 crore** (31 March 2017: ₹ 6.26 crore) has been charged to the statement of profit and loss and included under 'Rates and taxes' in Note 41.

d) During the year, the Company has taken electrical vehicles on operating lease for a period of six years, which can be further extended at mutually agreed terms. Lease rentals are subject to escalation of 10% per annum. The lease rental expense recognized in the statement of profit and loss for the year in respect of leases is ₹ **0.04 crore** (31 March 2017: ₹ Nil). The future minimum lease payments in respect of non-cancellable leases is as follows:

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Less than one year	**0.96**	-
Between one and five years	**4.92**	-
More than five years	**1.48**	-
	7.36	-

ii. Leases as lessor

a) The Company has classified the arrangement with its customer for two power stations (one thermal and one gas) as lease based on the principles enunciated in Appendix C of Ind AS 17 and accounted for as operating lease in accordance with those principles. The future minimum lease payments (MLPs) under non-cancellable leases in respect of the same are as follows:

(i) Thermal Power Station

Power Purchase Agreements (PPA) signed with the beneficiary was operative for a period of five years from the date of takeover of the plant and the agreement may be mutually extended, renewed or replaced by another agreement on such terms and conditions for such further period as the parties may mutually agree.

(ii) Gas Power Station

PPA signed with the beneficiary on 6 January 1995 was operative for five years from the date of commercial operation of last unit of the station and may be mutually extended, renewed or replaced by another agreement on such terms and on such further period of time as the parties may mutually agree. As per the supplementary agreement dated 15 February 2013 the validity period is extended for a further period of 12 years from 1 March 2013.

The future minimum lease payments in respect of non-cancellable leases is as follows:

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Less than one year	**214.30**	229.91
Between one and five years	**467.79**	667.67
More than five years	**139.57**	263.27
	821.66	1,160.85

b) **Finance leases**

i) **Leases as lessee:**

a) The Company has taken certain vehicles on lease for a period of four years, which can be further extended at mutually agreed terms. There are no escalations in the lease rentals as per terms of the agreement. However, the Company has purchase option for such vehicles at the end of the lease term.

Reconciliation between the future minimum lease payments (MLPs) and there present value of MLPs is as under:

₹ Crore

Particulars	As at 31 March 2018		As at 31 March 2017	
	MLPs	Present value of MLPs	MLPs	Present value of MLPs
Less than one year	**0.86**	**0.72**	1.05	0.78
Between one and five years	**0.76**	**0.70**	1.83	1.62
More than five years	-	-	-	-
Total minimum lease payments	**1.62**	**1.42**	2.88	2.40
Less amounts representing finance charges	**0.20**	-	0.48	-
Present value of minimum lease payments	**1.42**	**1.42**	2.40	2.40

b) The Company has entered into a lease agreement for coal movement through inland waterways transport. As per the agreement, the operator shall design, build, operate and maintain the unloading infrastructure and material handling system ("facility"), and transfer the same to the Company after expiry of 7 years at ₹ 1/-. The facility has been completed and is under operation. The total contingent rents recognized as expense during the year is ₹ **Nil** (31 March 2017: ₹ 0.82 crore).

₹ Crore

Particulars	As at 31 March 2018		As at 31 March 2017	
	MLPs	Present value of MLPs	MLPs	Present value of MLPs
Less than one year	**36.06**	**22.79**	18.89	12.12
Between one and five years	**65.24**	**54.61**	82.41	64.79
More than five years	-	-	5.15	3.39
Total minimum lease payments	**101.30**	**77.40**	106.45	80.30
Less amounts representing finance charges	**23.90**	-	26.15	-
Present value of minimum lease payments	**77.40**	**77.40**	80.30	80.30

During the year, the operator has raised several disputes and invoked arbitration and has put substantial claims on the Company. The issues are before arbitral tribunal headed by a former judge of Hon'ble Supreme Court of India. The claims made by the operator amounting to ₹ 2,026.30 crore have not been accepted by the Company and the same has been disclosed under contingent liabilities [Note 74 (A)]. An amount of ₹ 158.50 crore has been deposited till 31 March 2018 considering the directions of the Hon'ble Supreme Court of India.

c) The Company acquires land on leasehold basis for a period generally ranging from 25 years to 99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non cancellable. These leases are capitalized at the present value of the total minimum lease payments to be paid over the lease term. Future lease rentals are recognized as 'Finance lease obligation' at their present values. The leasehold land is amortized considering the signifcant accounting policies of the Company.

₹ Crore

Particulars	As at 31 March 2018		As at 31 March 2017	
	MLPs	Present value of MLPs	MLPs	Present value of MLPs
Less than one year	11.17	10.20	5.66	5.19
Between one and five years	31.58	24.09	21.42	15.69
More than five years	692.85	71.25	425.06	40.06
Total minimum lease payments	735.60	105.54	452.14	60.94
Less amounts representing finance charges	630.06	-	391.20	-
Present value of minimum lease payments	105.54	105.54	60.94	60.94

ii) **Leases as lessor:**

The Company has classified the arrangement with its customer for Stage I of a power station in the nature of lease based on the principles enunciated in Appendix C of Ind AS 17, 'Leases' and accounted for as finance lease in accordance with those principles.

The power purchase agreement with the beneficiary is for a period of twenty five years from the date of transfer and the agreement may be mutually extended, renewed or replaced by another agreement on such terms and for such further period of time as the parties may mutually agree.

₹ Crore

Particulars	As at 31 March 2018		As at 31 March 2017	
	MLPs	Present value of MLPs	MLPs	Present value of MLPs
Less than one year	111.59	40.00	119.42	29.77
Between one and five years	446.35	227.24	477.70	182.65
More than five years	326.78	275.08	456.72	342.64
Total minimum lease payments	884.72	542.32	1,053.84	555.06
Less amounts representing unearned finance income	342.40	-	498.78	-
Present value of minimum lease payments	542.32	542.32	555.06	555.06

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

(i) **Defined contribution plans:**

Pension

The defined contribution pension scheme of the Company for its employees which is effective from 1 January 2007, is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. An amount of ₹ **153.32 crore** (31 March 2017: ₹237.34 crore) for the year is recognized as expense on this account and charged to the statement of profit and loss.

(ii) **Defined benefit plans:**

A. Provident fund

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

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

₹ **Crore**

Particulars	**For the year ended**	
	31 March 2018	31 March 2017
Net defined benefit (asset)/liability - Current	**(55.36)**	(53.17)

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

Particulars	**Defined benefit obligation**		**Fair value of plan assets**		**Net defined benefit (asset) liability**	
	For the year ended		**For the year ended**		**For the year ended**	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Opening balance	**7,535.63**	6,832.89	**7,588.80**	6,892.37	**(53.17)**	(59.48)
Current service cost recognized in statement of profit and loss	**254.28**	252.12	**-**	-	**254.28**	252.12
Interest cost/(income)	**565.18**	546.63	**(565.18)**	(551.39)	**-**	(4.76)
Total	**819.46**	798.75	**(565.18)**	(551.39)	**254.28**	247.36
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Financial assumptions	**(0.12)**	0.62	**-**	-	**(0.12)**	0.62
Experience adjustment	**113.01**	71.22	**-**	-	**113.01**	71.22
Return on plan assets excluding interest income	**-**	-	**(115.08)**	(60.77)	**(115.08)**	(60.77)
Total	**112.89**	71.84	**(115.08)**	(60.77)	**(2.19)**	11.07
Other						
Contribution by participants	**584.89**	485.54	**584.89**	485.54	**-**	-
Contribution by employer	**-**	-	**254.28**	252.12	**(254.28)**	(252.12)
Benefits paid	**827.16**	653.39	**827.16**	653.39	**-**	-
Closing balance	**8,225.71**	7,535.63	**8,281.07**	7,588.80	**(55.36)**	(53.17)

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

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act,1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ **55.36 crore** (31 March 2017: ₹ 53.17 crore) determined through actuarial valuation. Accordingly, Company has not recognized the surplus as an asset, and the actuarial gains in 'Other Comprehensive Income', as these pertain to the Provident Fund Trust and not to the Company.

B. Gratuity and pension

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

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

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

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

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Net defined benefit (asset)/liability :		
Gratuity (funded)	**659.73**	627.71
Pension (funded)	**140.67**	125.13
Pension (non-funded)	**278.11**	271.71
	1,078.51	1,024.55
Non-current	**21.25**	19.83
Current	**1,057.26**	1,004.72

Movement in net defined benefit (asset)/liability

₹ Crore

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	For the year ended		For the year ended		For the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Opening balance	**2,505.90**	1,823.53	**1,481.35**	1,465.69	**1,024.55**	357.84
Included in profit or loss:						
Current service cost	**97.60**	96.29	-	-	**97.60**	96.29
Past service cost		433.24	-	-	-	433.24
Interest cost (income)	**187.94**	145.88	**(111.11)**	(117.26)	**76.83**	28.62
Total amount recognized in profit or loss	**285.54**	675.41	**(111.11)**	(117.26)	**174.43**	558.15
Included in other comprehensive income:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Financial assumptions	**38.70**	85.23	-	-	**38.70**	85.23
Experience adjustment	**(102.69)**	57.14	-	-	**(102.69)**	57.14
Return on plan assets excluding interest income	-	-	**(30.73)**	(10.10)	**(30.73)**	(10.10)
Total amount recognized in other comprehensive income	**(63.99)**	142.37	**(30.73)**	(10.10)	**(94.72)**	132.27
Other						
Benefits paid	**141.03**	135.41	**115.28**	111.70	**25.75**	23.71
Closing balance	**2,586.42**	2,505.90	**1,507.91**	1,481.35	**1,078.51**	1,024.55

C. Post-Retirement Medical Facility (PRMF)

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

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

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Net defined benefit (asset)/liability - Current	**149.88**	97.44

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

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	For the year ended		For the year ended		For the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Opening balance	**1,159.40**	889.78	**1,061.96**	890.00	**97.44**	(0.22)
Included in profit or loss:						
Current service cost	**32.19**	29.41	-	-	**32.19**	29.41
Past service cost	-	-	-	-	-	-
Interest cost (income)	**86.95**	71.18	**(79.64)**	(71.20)	**7.31**	(0.02)
Total amount recognized in profit or loss	**119.14**	100.59	**(79.64)**	(71.20)	**39.50**	29.39
Included in other comprehensive income:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	**62.69**	86.06	-	-	**62.69**	86.06
Experience adjustment	**62.48**	119.03	-	-	**62.48**	119.03
Return on plan assets excluding interest income	-	-	**(11.51)**	(9.18)	**(11.51)**	(9.18)
Total amount recognized in other comprehensive income	**125.17**	205.09	**(11.51)**	(9.18)	**113.66**	195.91
Other						
Contribution by participants	-	-	**3.98**	5.81	**(3.98)**	(5.81)
Contribution by employer	-	-	**43.64**	85.77	**(43.64)**	(85.77)
Benefits paid	**53.10**	36.06	-	-	**53.10**	36.06
Closing balance	**1,350.61**	1,159.40	**1,200.73**	1,061.96	**149.88**	97.44

D. Other retirement benefit plans

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

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Net defined benefit (asset)/liability :	**148.93**	138.18
Non-current	**132.20**	125.11
Current	**16.73**	13.07

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

Particulars	Defined benefit obligation	
	As at 31 March 2018	As at 31 March 2017
Opening balance	138.18	126.49
Included in profit or loss:		
Current service cost	7.02	6.36
Past service cost	-	-
Interest cost (income)	10.37	10.11
Total amount recognized in profit or loss	17.39	16.47
Included in other comprehensive income:		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Financial assumptions	0.93	4.25
Experience adjustment	(4.19)	(6.59)
Return on plan assets excluding interest income	-	-
Total amount recognized in other comprehensive income	(3.26)	(2.34)
Other		
Contributions paid by the employer	-	-
Benefits paid	3.38	2.44
Closing balance	148.93	138.18

E. Plan assets

Plan assets comprise the following

₹ Crore

Particulars	As at 31 March 2018			As at 31 March 2017		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
State government securities	2,695.33	-	2,695.33	2,144.63	-	2,144.63
Central government securities	1,885.84	-	1,885.84	1,884.84	-	1,884.84
Corporate bonds and term deposits	3,458.49	94.67	3,553.16	3,281.34	94.95	3,376.29
Money market instruments/liquid mutual fund	-	14.20	14.20	-	39.33	39.33
Equity and equity linked investments	82.26	27.62	109.88	115.32	-	115.32
Investments with insurance companies	-	2,564.67	2,564.67	-	2,382.65	2,382.65
Total (excluding accrued interest)	8,121.92	2,701.16	10,823.08	7,426.13	2,516.93	9,943.06

As at 31 March 2018, an amount of ₹ **500.00 crore** (31 March 2017: ₹ 500.00 crore) is included in the value of plan assets (in respect of the reporting enterprise's own financial instruments (Corporate bonds).

Actual return on plan assets is ₹ **913.25 crore** (31 March 2017: ₹ 819.90 crore).

F. Defined benefit obligations

i. Actuarial assumptions

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

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	**7.60%**	7.50%
Expected return on plan assets		
Gratuity	**7.60%**	7.50%
Pension	**7.60%**	7.50%
PRMF	**7.60%**	7.50%
Annual increase in costs	**6.50%**	6.00%
Salary escalation rate	**6.50%**	6.00%

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

ii. Sensitivity analysis

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	**(171.13)**	**179.88**	(167.12)	176.25
Annual increase in costs (0.5% movement)	**92.17**	**(90.32)**	86.49	(84.46)
Salary escalation rate (0.5% movement)	**89.54**	**(83.10)**	90.96	(84.38)

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

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

G. Risk exposure

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

a) Asset volatility

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

b) Changes in discount rate

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

c) Inflation risks

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

d) Life expectancy

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

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

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

A large portion of assets in 2018 consists of government and corporate bonds. The plan asset mix is in compliance with the requirements of the respective local regulations.

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

₹ Crore

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2018					
Gratuity and pension	**406.54**	**529.07**	**613.69**	**1,037.12**	**2,586.42**
Post-retirement medical facility (PRMF)	**42.03**	**84.23**	**174.75**	**1,049.60**	**1,350.61**
Provident fund	**817.34**	**762.53**	**2,153.57**	**4,492.27**	**8,225.71**
Other post-employment benefit plans	**16.73**	**15.58**	**41.87**	**74.75**	**148.93**
Total	**1,282.64**	**1,391.41**	**2,983.88**	**6,653.74**	**12,311.67**
31 March 2017					
Gratuity and pension	248.81	304.77	713.17	1,239.15	2,505.90
Post-retirement medical facility (PRMF)	36.23	40.89	151.37	930.91	1,159.40
Provident fund	683.19	2,516.99	2,299.17	2,036.28	7,535.63
Other post-employment benefit plans	13.07	10.48	38.64	75.99	138.18
Total	981.30	2,873.13	3,202.35	4,282.33	11,339.11

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are ₹ 520.48 crore.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is **15.21 years** (31 March 2017: 15.08 years).

(iii) Other long term employee benefit plans

A. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. During the year, provision amounting to ₹ **462.23 crore** was reversed on the basis of actuarial valuation at the year end and credited to statement of profit and loss (31 March 2017: debit of ₹ 260.32 crore). The reversal was on account of surge in the encashment of earned leaves by the employees during the year.

B. Other employee benefits

Provision for long service award and family economic rehabilitation scheme amounting to ₹ **7.36 crore** (31 March 2017: ₹ 7.73 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

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

The amount of exchange differences (net) debited to the statement of profit and loss is ₹ **145.03 crore** (31 March 2017: credit of ₹ 5.66 crore).

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

Borrowing costs capitalized during the year is ₹ **4,155.89 crore** (31 March 2017: ₹ 4,125.08 crore).

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

a) List of related parties:

i) Subsidiary companies:

1. Bhartiya Rail Bijlee Company Ltd.
2. Kanti Bijlee Utpadan Nigam Ltd.
3. NTPC Vidyut Vyapar Nigam Ltd.
4. NTPC Electric Supply Company Ltd.
5. Patratu Vidyut Utpadan Nigam Ltd.

ii) Joint ventures companies:

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

iii) Key Management Personnel (KMP):

Whole Time Directors

Shri Gurdeep Singh	Chairman & Managing Director	
Shri Saptarshi Roy	Director (Human Resources)	W.e.f. 1 November 2016
Shri A.K.Gupta	Director (Commercial)	W.e.f. 3 February 2017
Shri S.K.Roy	Director (Projects)	W.e.f. 19 January 2018
Shri P.K.Mohapatra	Director (Technical)	W.e.f. 31 January 2018
Shri Prakash Tiwari	Director (Operations)	W.e.f. 31 January 2018

Shri K.Sreekant[1]	Director (Finance)	W.e.f. 29 March 2018
Shri A.K.Jha	Director (Technical)	Upto 31 July 2017
Shri S.C.Pandey	Director (Projects)	Upto 31 August 2017
Shri K.K.Sharma	Director (Operations)	Upto 31 October 2017
Shri K.Biswal[2]	Director (Finance)	
Shri UP Pani	Director (Human Resources)	Upto 31 October 2016
Independent Directors		
Dr. Gauri Trivedi	Non-executive Director	
Shri Seethapathy Chander	Non-executive Director	W.e.f. 22 June 2016
Shri M.P.Singh	Non-executive Director	W.e.f. 24 October 2017
Shri Pradeep Kumar Deb	Non-executive Director	W.e.f. 24 October 2017
Shri Shashi Shekhar	Non-executive Director	W.e.f. 24 October 2017
Shri Subhash Joshi	Non-executive Director	W.e.f. 24 October 2017
Shri Vinod Kumar	Non-executive Director	W.e.f. 24 October 2017
Shri Rajesh Jain	Non-executive Director	Upto 10 October 2017
Shri Prashant Mehta	Non-executive Director	Upto 29 July 2016
Government Nominee Directors		
Dr. Pradeep Kumar	Non-executive Director	Upto 31 July 2017
Shri Aniruddha Kumar	Non-executive Director	
Company Secretary and Chief Financial Officer		
Shri K.P.Gupta	Company Secretary	W.e.f. 22 March 2017
Shri A.K. Rastogi	Company Secretary	Upto 28 February 2017
Shri Sudhir Arya	Chief Financial Officer	W.e.f. 29 December 2017

1. Holding additional charge, in addition to Director (Finance), Power Grid Corporation of India Ltd.

2. Under suspension w.e.f. 14 December 2017 (vide order from Ministry of Power).

iv) Post employment benefit plans:

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

v) Entities under the control of the same government:

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (Note 20). Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Coal India Ltd., Singareni Coalfields Ltd., GAIL (India) Ltd., BHEL Ltd., SAIL Ltd., Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd.

vi) Others:

1. NTPC Education and Research Society
2. NTPC Foundation

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

₹ Crore

Particulars	Subsidiary Companies		Joint venture Companies	
	For the year ended		For the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
i) Sales/purchase of goods and services				
- Contracts for works/services for services received by the Company	-	-	999.82	1,091.97
- Contracts for works/services for services provided by the Company	58.31	150.87	51.07	52.68
- Sale/purchase of goods	1,892.49	2,073.67	22.26	10.55
ii) Sales/purchase of assets	-	-	6.22	-
iii) Deputation of employees	63.89	30.21	127.30	72.09
iv) Dividend received	50.00	20.00	135.57	143.09
v) Equity contributions made	348.54	507.66	1,153.08	1,201.63
vi) Loans granted	96.75	154.25	6.00	-
vii) Guarantees received	-	-	13.10	28.16

Note:- Refer Note 74 (b) and (c) for other commitments with subsidiary and joint venture companies

₹ Crore

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Transactions with post employment benefit plans		
- Contributions made during the year	383.25	827.76
Compensation to Key management personnel		
- Short term employee benefits	4.13	3.89
- Post employment benefits	0.11	0.49
- Other long term benefits	0.20	0.35
- Termination benefits	0.69	-
- Sitting fee	0.34	0.19
Total compensation to key management personnel	5.47	4.92

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

₹ Crore

Sl. No.	Name of the Company	Nature of transaction by the Company	For the year ended 31 March 2018	For the year ended 31 March 2017
1	Bharat Coking Coal Ltd.	Purchase of coal	773.45	739.67
2	Central Coalfields Ltd.		3,298.58	2,642.61
3	Eastern Coalfields Ltd.		7,535.31	7,839.67
4	Mahanadi Coalfields Ltd.		4,535.47	3,780.12
5	Northern Coalfields Ltd.		9,509.18	8,134.83
6	South Eastern Coalfields Ltd.		4,803.59	5,638.30
7	Western Coalfields Ltd.		765.70	273.39
8	Singareni Coalfields Ltd.		5,450.87	4,404.41
9	Bharat Heavy Electricals Ltd.	Purchase of equipments and erection services	2,793.50	4,661.92
		Purchase of spares	635.22	579.37
		Receipt of maintenance services	1,199.77	1,075.29
10	GAIL (India) Ltd.	Purchase of natural gas	2,097.96	1,173.64
11	Indian Oil Corporation Ltd.	Purchase of oil products	484.36	465.95

₹ Crore

Sl. No.	Name of the Company	Nature of transaction by the Company	For the year ended 31 March 2018	For the year ended 31 March 2017
12	Bharat Petroleum Corporation Ltd.	Purchase of natural gas and oil products	**89.78**	96.26
13	Steel Authority of India Ltd.	Purchase of steel and iron products	**224.28**	409.30
14	Rural Electrification Corporation Ltd.	Consultancy services provided by the Company	**4.03**	510.96
15	Other entities	Purchase of equipments and erection services	**181.33**	105.38
		Purchase of spares	**18.83**	15.26
		Receipt of maintenance services	**1,401.30**	714.58
		Consultancy and other services provided by the Company	**39.19**	29.69

₹ Crore

Transactions with others listed at (a)(vi) above	For the year ended 31 March 2018	For the year ended 31 March 2017
- Contracts for works/services for services received by the Company	**16.25**	2.94

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

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Amount recoverable towards loans from		
- Subsidiary companies	**242.75**	154.25
- Joint venture companies	**6.00**	-
- Key management personnel	**0.27**	0.12
- Others	**0.60**	0.60
Amount recoverable other than loans from		
- Subsidiary companies	**385.55**	398.54
- Joint venture companies	**87.09**	43.54
- Post employment benefit plans	**13.78**	22.40
- Others	**0.07**	-
Amount payable to		
- Joint venture companies	**469.85**	308.30
- Post employment benefit plans	**221.72**	154.94
- Others	**3.62**	-

d) **Individually significant transactions**

₹ Crore

Particulars	Nature of relationship	**For the year ended 31 March 2018**	For the year ended 31 March 2017
Contracts for works/services for services received by the Company			
Utility Powertech Ltd.	Joint venture company	**838.60**	659.64
NTPC BHEL Power Projects Private Ltd.	Joint venture company	**130.32**	387.34
NTPC-GE Power Services Private Ltd.	Joint venture company	**17.86**	42.21
Contracts for works/services for services provided by the Company			
Patratu Vidyut Utpadan Nigam Ltd.	Subsidiary company	**48.05**	41.37
Nabinagar Power Generating Company Private Ltd.	Joint venture company	**27.15**	27.99
Dividend received			
NTPC-SAIL Power Company Ltd.	Joint venture company	**50.00**	70.00
Aravali Power Company Private Ltd.	Joint venture company	**69.93**	66.60
NTPC Vidyut Vyapar Nigam Ltd.	Subsidiary company	**50.00**	20.00
Energy Efficiency Services Ltd.	Joint venture company	**12.92**	3.39
Utility Powertech Ltd.	Joint venture company	**2.50**	2.50
NTPC-GE Power Services Private Ltd.	Joint venture company	**0.22**	0.60
Equity contributions made			
Bhartiya Rail Bijlee Company Ltd.	Subsidiary company	**178.99**	232.29
Kanti Bijlee Utpadan Nigam Ltd.	Subsidiary company	**80.00**	241.87
Patratu Vidyut Utpadan Nigam Ltd.	Subsidiary company	**89.55**	33.50
Nabinagar Power Generating Company Private Ltd.	Joint venture company	**504.57**	590.00
Meja Urja Nigam Private Ltd.	Joint venture company	**42.89**	325.00
Energy Efficiency Services Ltd.	Joint venture company	**99.00**	99.00
Aravali Power Company Private Ltd.	Joint venture company	**34.50**	66.51
Bangladesh-India Friendship Power Company Pvt.Ltd.	Joint venture company	**143.62**	64.52
NTPC-Tamil Nadu Energy Company Ltd.	Joint venture company	**-**	44.39
National High Power Test Laboratory Private Ltd.	Joint venture company	**-**	6.50
Hindustan Urvarak & Rasayan Ltd.	Joint venture company	**328.23**	5.03
BF-NTPC Energy Systems Ltd.	Joint venture company	**0.28**	0.69
Loans disbursed			
Kanti Bijlee Utpadan Nigam Ltd.	Subsidiary company	**80.00**	121.00
Patratu Vidyut Utpadan Nigam Ltd.	Subsidiary company	**16.75**	33.25
National High Power Test Laboratory Private Ltd.	Joint venture company	**6.00**	-
Guarantees received			
Utility Powertech Ltd.	Joint venture company	**12.60**	12.05
NTPC-GE Power Services Private Ltd.	Joint venture company	**0.50**	16.11

e) **Terms and conditions of transactions with the related parties**

i) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

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

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

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

Sl. No.	Name of the subsidiary (S)/joint venture (JV) company	Loan granted (Amount in ₹ crore)	Rate of interest (p.a.)	Repayment schedule	Year of grant of loan
1	Kanti Bijlee Utpadan Nigam Ltd. (S)	**121.00**	10% (quarterly rest)	In two installments on 30 June 2019 and 31 December 2019	2016-17
2	Patratu Vidyut Utpadan Nigam Ltd. (S)	**50.00**	10% (quarterly rest)	Repayable on 30 September 2018.	2016-17
3	Kanti Bijlee Utpadan Nigam Ltd. (S)	**193.00**	10% (quarterly rest)	Repayable in six equal semi-annual installments from 30 September 2020.	2017-18
4	National High Power Test Laboratory Private Ltd. (JV)	**6.00**	10%	Principal and interest repayable on 30 September 2018.	2017-18

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

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

vii) Refer Note 63 (b) and (c) in respect of impairment loss on investment in Ratnagiri Gas & Power Private Ltd., Konkan LNG Private Ltd. and certain other joint venture companies.

viii) Refer Note 74 (C) towards restrictions on disposal of investment and commitment towards further investments in the subsidiary and joint venture companies.

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

a) Investment in subsidiary companies:*

Company name	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2018	As at 31 March 2017
NTPC Electric Supply Company Ltd.	India	100.00	100.00
NTPC Vidyut Vyapar Nigam Ltd.	India	100.00	100.00
Kanti Bijlee Utpadan Nigam Ltd.	India	72.64	65.00
Bhartiya Rail Bijlee Company Ltd.	India	74.00	74.00
Patratu Vidyut Utpadan Nigam Ltd.	India	74.00	74.00

b) Investment in joint venture companies:*

Company name	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2018	As at 31 March 2017
Utility Powertech Ltd.	India	50.00	50.00
NTPC-GE Power Services Private Ltd.	India	50.00	50.00
NTPC-SAIL Power Company Ltd.	India	50.00	50.00
NTPC-Tamil Nadu Energy Company Ltd.	India	50.00	50.00
Ratnagiri Gas & Power Private Ltd.**	India	25.51	25.51
Konkan LNG Private Ltd.**	India	25.51	-
Aravali Power Company Private Ltd.	India	50.00	50.00
NTPC BHEL Power Projects Private Ltd.	India	50.00	50.00
Meja Urja Nigam Private Ltd.	India	50.00	50.00
BF-NTPC Energy Systems Ltd.	India	49.00	49.00
Nabinagar Power Generating Company Private Ltd.	India	50.00	50.00
Transformers and Electricals Kerala Ltd.	India	44.60	44.60
National High Power Test Laboratory Private Ltd.	India	20.00	20.00
Energy Efficiency Services Ltd.	India	31.71	31.71
CIL NTPC Urja Private Ltd.	India	50.00	50.00
Anushakti Vidhyut Nigam Ltd.	India	49.00	49.00
Hindustan Urvarak & Rasayan Ltd.	India	33.33	33.28
Trincomalee Power Company Ltd.	Sri Lanka	50.00	50.00
Bangladesh-India Friendship Power Company Private Ltd.	Bangladesh	50.00	50.00

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

** Refer Note 6 (e).

62. **Disclosure as per Ind AS 33 'Earnings per share'**

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
From operations including regulatory deferral account balances (a) **[A/D]**	**12.54**	11.38
From regulatory deferral account balances (b) **[B/D]**	**0.67**	0.32
From operations excluding regulatory deferral account balances (a)-(b) **[C/D]**	**11.87**	11.06
Nominal value per share	**10.00**	10.00

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
From operations including regulatory deferral account balances (a) **[A]**	**10,343.17**	9,385.26
From regulatory deferral account balances (b) **[B]**	**553.00**	263.92
From operations excluding regulatory deferral account balances (a)-(b) **[C]**	**9,790.17**	9,121.34

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance of issued equity shares	**8,24,54,64,400**	8,24,54,64,400
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares for Basic and Diluted EPS [D]	**8,24,54,64,400**	8,24,54,64,400

63. **Disclosure as per Ind AS 36 'Impairment of Assets'**

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

a) Due to decrease in value in use in respect of plant and equipment of a Solar PV Station of the Company which is under 'Generation of energy segment', an impairment loss of ₹ 4.48 crore was recognized in 'Depreciation/amortization and impairment expense' in the statement of profit and loss for the year ended 31 March 2016. Out of this, an amount of ₹ 0.73 crore towards the impairment loss was reversed during the year ended 31 March 2017 due to increase in the value in use as compared to the carrying value of the Solar PV Station. The balance amount of ₹ 3.75 crore has been reversed during the year due to increase in the value in use as compared to its carrying value.

For the Company, the recoverable amount of the property, plant and equipment & intangible assets of the CGUs is value in use and amounts to ₹ **1,90,627.27 crore** (31 March 2017: ₹ 1,42,042.78 crore). The discount rate used for the computation of value in use for the generating plant is **8.00** % (31 March 2017: 9.13%) and for solar plant is **7.13** % (31 March 2017: 7.95%).

b) In the previous year, the Company had an investment of ₹ 974.30 crore as at 31 March 2017 in the equity shares of Ratnagiri Gas & Power Pvt. Ltd. (RGPPL or Demerged Company), a joint venture of the Company. RGPPL had incurred losses during last few years which has resulted in erosion of net worth of the RGPPL. Also, value of RGPPL's assets had declined significantly more than would be expected as a result of the passage of time or normal use. Further, neither Power Block nor LNG Terminal (CGUs) of RGPPL were operating at their installed capacity from last many years. The recoverable amount of this investment was assessed at ₹ 191.35 crore and accordingly the Company had recognized an impairment loss of ₹ 782.95 crore in respect of such investment and disclosed the same as 'Exceptional items - Impairment loss on investments' in the statement of profit and loss for the previous year ended 31 March 2017.

During the year, as per demerger scheme Konkan LNG Private Ltd. (KLPL) has allotted equity shares of face value of ₹ 10/- each equivalent to the share entitlement ratio of 143:1000 for each equity shares held in Demerged Company i.e.13,97,52,264 equity shares of ₹ 10/- each to the Company. Accordingly, the Company has reduced its investment in RGPPL by ₹ 139.75 crore and has recorded 'Investment in Konkan LNG Private Ltd.' with the same amount.

The impact of assessment of impairment of its investment in RGPPL and KLPL which was carried out by an independent expert, has been explained below:

Reversal of impairment of investments in RGPPL:

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

Recoverable amount of investment in RGPPL has been assessed at ₹ 217.50 crore and is based on the present value of future cash flows expected to be derived from gas based power plant of RGPPL till 31 March 2039. The period is based on the estimated useful life of the power plant. Increase in recoverable amount of investment in RGPPL is due to increase in the value in use as compared to the carrying value of investment. This has led to reversal of provision for impairment by ₹ 165.90 crore in the current year.

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

- Capacity : 1,967 MW
- Auxiliary consumption : 2.50%
- Plant Load Factor (PLF) : 26.10%
- Tariff : INR 5.5/kwh (net of transmission charges and losses)

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

The post-tax discount rates used for the future cash flows are in the range of 10.00% to 11.20% (31 March 2017: 9.40% to 11.00%).

Impairment of investments in KLPL:

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

Recoverable amount of investment in KLPL has been assessed at (-) ₹ 127.07 crore and is based on the present value of future cash flows expected to be derived from the LNG terminal till 31 March 2037. The period is based on the estimated useful life of the terminal. Decrease in recoverable amount of investment in KLPL is due to decrease in the value in use as compared to the carrying value of investment. This has resulted in recognition of provision for impairment by ₹ 139.75 crore.

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

- Capacity : FY 2019 till FY 2021 – 30 ships/year; FY 2022 onwards: 80 ships per year
- Utilisation : FY 2019-22- 80%
  FY 2023-26 – 55%
  FY 2027 – 65%
  FY 2028 and beyond – 70%
- Annual escalation of tariff - 5.00%

Growth rate of 10.20% has been assumed basis expected increase in number of cargos to be uploaded after FY 2022 on account of completion of breakwater facility and annual increase in tariff by 5.00% every year.

The post-tax discount rates used for the future cash flows are in the range of 12.10% to 13.00%.

Also refer Note 6 (e) in this regard.

c) In respect of certain other companies, provision for impairment on investments has been recognized at ₹ **50.02 crore** (31 March 2017: ₹ 32.43 crore). Also refer Note 6 b) and 6 c) in this regard.

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

Movements in provisions:

₹ Crore

Particulars	Provision for obligations incidental to land acquisition		Provision for tariff adjustment		Others		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Carrying amount at the beginning of the year	**3,695.78**	3,736.84	**1,170.79**	1,234.41	**710.30**	563.66	**5,576.87**	5,534.91
Additions during the year	**181.52**	429.68	**318.28**	98.88	**753.40**	156.03	**1,253.20**	684.59
Amounts used during the year	**(414.51)**	(440.19)	**-**	-	**(106.35)**	(6.69)	**(520.86)**	(446.88)
Reversal/adjustments during the year	**2.21**	(30.55)	**(1,158.97)**	(162.50)	**(0.27)**	(2.70)	**(1,157.03)**	(195.75)
Carrying amount at the end of the year	**3,465.00**	3,695.78	**330.10**	1,170.79	**1,357.08**	710.30	**5,152.18**	5,576.87

i) Provision for obligations incidental to land acquisition

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

ii) Provision for tariff adjustment

The Company aggrieved over many of the issues considered by the CERC in the tariff orders for its stations for the period 2004-09 had filed appeals with the Appellate Tribunal for Electricity (APTEL). The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per directions and methodology given. Some of the issues decided in favour of the Company by the APTEL were challenged by the CERC in the Hon'ble Supreme Court of India. Subsequently, the CERC had been issuing revised tariff orders for the period 2004-09, considering the judgment of APTEL subject to disposal of appeals pending before the Hon'ble Supreme Court of India. On 10 April 2018, the Hon'ble Supreme Court of India has dismissed the petition and as such the issues decided by APTEL in favour of the Company stands good. Consequently, the provision created till 31 March 2017 amounting to ₹ 1,156.32 crore has been reversed during the year through provision written back in Note 36.

iii) Provision - Others

Provision for others comprise ₹ **73.15 crore** (31 March 2017: ₹ 68.24 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2 [Refer Note 66 (b)], ₹ **1,279.31 crore** (31 March 2017: ₹640.25 crore) towards provision for cases under litigation and ₹ **4.62 crore** (31 March 2017: ₹ 1.81 crore) towards provision for shortage in property, plant and equipment on physical verification pending investigation.

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

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

vi) Sensitivity of estimates on provisions:

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

vii) Contingent liabilities and contingent assets

Disclosure with respect to claims against the Company not acknowledged as debts and contingent assets are made in Note 74.

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

Research expenditure charged to revenue during the year is ₹ **77.67 crore** (31 March 2017: ₹ 80.40 crore).

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

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

In the case of Block AN-DWN-2009/13 and KG-OSN-2009/1, the Company along-with the consortium partners has decided to relinquish both the blocks and Oil and Natural Gas Commission (ONGC), the operator has submitted an application to Directorate General of Hydrocarbons (DGH) in this regard.

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

₹ **Crore**

Particulars	**As at 31 March 2018 (Unaudited)**	As at 31 March 2017 (Unaudited)
Assets	**0.01**	0.02
Liabilities	**2.27**	1.35
Capital commitments [Unfinished Minimum Work Programme (MWP)]	**-**	0.29

₹ **Crore**

Particulars	**For the year ended 31 March 2018 (Unaudited)**	For the year ended 31 March 2017 (Unaudited)
Expenses	**2.28**	14.81

For the year ended 31 March 2018 and 31 March 2017, there are no income and operating/investing cash flow from exploration activities.

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

ONGC has completed drilling of one well. Airborne Full Tensor Gravity Gradiometer (FTG) survey work is also completed.

b) Exploration activities in the block AA-ONN-2003/2 were abandoned in January 2011 due to unforeseen geological conditions and withdrawal of the operator. Attempts to reconstitute the consortium to accomplish the residual exploratory activities did not yield result. In the meanwhile, Ministry of Petroleum & Natural Gas, GoI demanded in January 2011 the cost of unfinished minimum work programme from the consortium with NTPC's share being USD 7.516 million. During the year, provision in this respect has been updated to ₹ 73.15 crore from ₹ 68.24 crore along-with interest. The Company has sought waiver of the claim citing force majeure conditions at site leading to discontinuation of exploratory activities.

The Company has accounted for expenditure of ₹ **0.08 crore** (31 March 2017: ₹ 0.07 crore) towards the establishment expenses of M/s Geopetrol International, the operator to complete the winding up activities of the Block. The Company's share in the assets and liabilities and expenses is as under:

₹ **Crore**

Particulars	**As at 31 March 2018 (Unaudited)**	As at 31 March 2017 (Unaudited)
Assets	**9.19**	9.19
Liabilities (including unfinished MWP)	**75.19**	70.19

Provision of ₹ **8.26 crore** as at 31 March 2018 (31 March 2017: ₹ 8.26 crore) has been made towards the assets under exploration and estimated obsolescence in the inventory.

₹ **Crore**

Particulars	**For the year ended 31 March 2018 (Unaudited)**	For the year ended 31 March 2017 (Unaudited)
Expenses	**0.08**	0.07

For the year ended 31 March 2018 and 31 March 2017, there are no income and operating/investing cash flow from exploration activities.

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

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

Based on the audited statement of the account for the above block, Company's share in assets and liabilities and expenses is as under:

₹ **Crore**

Particulars	**As at 31 March 2018**	As at 31 March 2017
Assets	**6.23**	6.17
Liabilities	**0.85**	9.70

₹ **Crore**

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
Expenses	**5.89**	99.53
Operating cash flows from exploration activities	**9.21**	28.97

Expenses charged off to the statement of profit and loss for the year includes provision for diminution in the value of inventory of ₹ **5.59 crore** (31 March 2017: ₹ Nil).

For the year ended 31 March 2018 and 31 March 2017, there are no income and investing cash flow from exploration activities.

d i) As per mining plan of Pakri Barwadih Coal Mining Project (PB), eastern and western quarry of the PB project are under development stage and disclosed in Note 3 - Development of coal mines. Exploration and evaluation activities are taking place at north-west quarry and under ground mine area/dip side area of PB block.

ii) Exploration and evaluation activities are in progress at Banai, Bhalumuda and Mandakini - B coal blocks allotted by the GOI. Geological Report (GR) of Banai has been approved by Ministry of Coal (MoC) and Mining Plan is under preparation by the consultant M/s Central Mine Planning and Design Institute (CMPDI). GR for Bhalumuda coal block has already been submitted to MoC and is under approval. Request sent to Nominated Authority, MoC for integration of both Banai & Bhalumuda blocks. For preparation of GR of Mandakini - B coal block, detailed exploration has been carried out and the work of preparation of Mining Plan & feasibility report has been awarded to M/s CMPDI.

Assets and liabilities of coal exploration and evaluation activities are as under:

₹ **Crore**

Particulars	**As at 31 March 2018**	As at 31 March 2017
Assets	**222.94**	220.09
Liabilities	**3.50**	31.72

For the year ended 31 March 2018 and 31 March 2017, there are no incomes, expenses and operating and investing cash flow from coal exploration activities.

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

A. General Information

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

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

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

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

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

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

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

₹ Crore

Particulars	Generation of energy		Others		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Segment revenue						
Sale of energy/consultancy, project management and supervision fee *	**79,906.71**	77,311.54	**1,622.38**	163.70	**81,529.09**	77,475.24
Other income	**2,772.23**	1,550.38	**2.79**	2.27	**2,775.02**	1,552.65
	82,678.94	78,861.92	**1,625.17**	165.97	**84,304.11**	79,027.89
Unallocated corporate interest and other income					**903.84**	314.41
Total	**82,678.94**	78,861.92	**1,625.17**	165.97	**85,207.95**	79,342.30
Segment result (including net movements in regulatory deferral account balances)**	**17,801.36**	17,765.47	**157.64**	(64.51)	**17,959.00**	17,700.96
Unallocated corporate interest and other income					**903.84**	314.41
Unallocated corporate expenses, interest and finance costs					**5,820.34**	5,627.47
Profit before tax					**13,042.50**	12,387.90
Income tax expense (including tax on net movements in regulatory deferral account balances)					**2,699.33**	3,002.64
Profit after tax					**10,343.17**	9,385.26

₹ Crore

Particulars	Generation of energy		Others		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Depreciation, amortization and impairment expense ***	**7,037.58**	5,868.38	**0.29**	0.26	**7,037.87**	5,868.64
Non-cash expenses other than depreciation	**433.66**	136.00	**30.88**	2.96	**464.54**	138.96
Capital expenditure	**23,024.64**	27,040.16	**1,642.36**	1,220.97	**24,667.00**	28,261.13

₹ Crore

Particulars	Generation of energy		Others		Total	
	As at		As at		As at	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Segment assets	**1,49,277.18**	1,26,728.63	**4,952.26**	3,518.96	**1,54,229.44**	1,30,247.59
Unallocated corporate and other assets					**1,05,964.12**	1,06,329.90
Total assets	**1,49,277.18**	1,26,728.63	**4,952.26**	3,518.96	**2,60,193.56**	2,36,577.49
Segment liabilities	**14,988.40**	14,531.36	**2,546.00**	2,159.92	**17,534.40**	16,691.28
Unallocated corporate and other liabilities					**1,40,881.39**	1,23,654.98
Total liabilities	**14,988.40**	14,531.36	**2,546.00**	2,159.92	**1,58,415.79**	1,40,346.26

* Includes ₹ **6.44 crore** (31 March 2017: ₹ 995.59 crore) for sales related to earlier years.

** Generation segment result would have been ₹ **17,794.92 crore** (31 March 2017: ₹16,769.88 crore) without including the sales related to earlier years.

*** Includes **(-)** ₹ **3.75 crore** (31 March 2017: (-) ₹ 0.73 crore) towards reversal of impairment loss recognized in the profit or loss, in generation of energy segment.

The Company has not disclosed geographical segments as operations of the Company are mainly carried out within the country.

C. Information about major customers

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

Particulars	For the year ended			
	31 March 2018		31 March 2017	
	Amount (₹ Crore)	%age	Amount (₹ Crore)	%age
1. Maharashtra State Electricity Distribution Company Ltd.	**8,766.38**	**10.50**	8,214.91	10.50
2. Uttar Pradesh Power Corporation Ltd.	**7,497.54**	**8.98**	8,556.66	10.93

68. Financial Risk Management

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

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

- Credit risk

- Liquidity risk

- Market risk

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

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

Risk management framework

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

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

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

Credit risk

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

Trade receivables

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

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

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

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

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

Investments

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

Loans

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

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ **60.49 crore** (31 March 2017: ₹157.12 crore). The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

The Company held deposits with banks and financial institutions of ₹ **3,917.89 crore** (31 March 2017: ₹ 2,773.37 crore). In order to manage the risk, Company places deposits with only high rated banks/institutions.

(i) Exposure to credit risk

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

₹ **Crore**

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments	**106.28**	113.48
Non-current loans	**655.67**	530.59
Other non-current financial assets*	**1,225.01**	1,169.93
Cash and cash equivalents	**60.49**	157.12
Bank balances other than cash and cash equivalents	**3,917.89**	2,773.37
Current loans	**280.22**	236.92
Other current financial assets	**7,938.12**	6,053.32
Total	**14,183.68**	11,034.73
Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL)		
Trade receivables	**7,577.97**	8,173.51
Total	**21,761.65**	19,208.24

* Excluding share application money pending allotment (Refer Note 10)

(ii) Provision for expected credit losses

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

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

(b) Financial assets for which loss allowance is measured using life-time expected credit losses

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

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ Crore

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as at 31 March 2018	**4,736.30**	**799.19**	**234.30**	**325.96**	**312.14**	**1,170.42**	**7,578.31**
Gross carrying amount as at 31 March 2017	6,620.03	600.79	244.61	386.85	160.11	161.32	8,173.71

(iv) Reconciliation of impairment loss provisions

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

₹ Crore

Particulars	Trade receivables	Advances	Claims recoverable	Total
Balance as at 1 April 2016	0.20	0.04	0.54	0.78
Impairment loss recognized	-	-	-	-
Amounts written off	-	-	0.42	0.42
Balance as at 31 March 2017	0.20	0.04	0.12	0.36
Impairment loss recognized	0.14	0.03	-	0.17
Amounts written off	-	-	-	-
Balance as at 31 March 2018	**0.34**	**0.07**	**0.12**	**0.53**

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

Liquidity risk

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

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

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

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

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

(i) Financing arrangements

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

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Fixed-rate borrowings		
Foreign currency loans	**70.01**	297.74
Floating-rate borrowings		
Bank overdraft	**2,000.00**	2,000.00
Term loans	**10,357.50**	8,615.00
Foreign currency loans	**46.68**	88.84
Total	**12,474.19**	11,001.58

(ii) Maturities of financial liabilities

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

31 March 2018 ₹ Crore

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities						
Secured bonds	436.94	2,558.81	1,782.00	5,724.87	23,346.46	**33,849.08**
Rupee term loans from banks	215.83	1,668.46	1,756.60	9,455.55	24,694.37	**37,790.81**
Rupee term loans from others	266.36	657.59	898.52	2,695.57	1,954.92	**6,472.96**
Finance lease obligations	5.98	42.44	32.29	69.68	688.17	**838.56**
Foreign currency notes	181.96	170.20	-	10,563.00	13,240.70	**24,155.86**
Unsecured foreign currency loans from banks and financial institutions	168.03	1,101.57	2,929.75	3,124.10	4,683.60	**12,007.05**
Unsecured foreign currency loans (guaranteed by GOI)	-	184.10	181.85	545.54	1,120.83	**2,032.32**
Commercial paper and cash credit	6,500.32	-	-	-	-	**6,500.32**
Trade and other payables	15,157.46	3,558.01	1,905.63	999.38	84.81	**21,705.29**
Derivative financial liabilities						
Full currency swaps	-	17.54	16.21	-	-	**33.75**

31 March 2017 ₹ **Crore**

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities						
Secured bonds	496.03	958.60	2,209.00	4,518.50	26,334.83	34,516.96
Rupee term loans from banks	218.48	1,919.57	2,009.89	7,135.72	18,695.80	29,979.46
Rupee term loans from others	460.94	947.70	1,183.38	2,695.57	2,853.44	8,141.03
Finance lease obligations	5.02	20.57	25.59	80.07	430.21	561.46
Foreign currency notes	49.93	163.92	-	5,286.50	13,384.50	18,884.85
Unsecured foreign currency loans from banks and financial institutions	656.17	1,581.40	1,154.21	5,279.17	2,586.08	11,257.03
Unsecured foreign currency loans (guaranteed by GOI)	-	173.78	171.32	517.75	1,236.32	2,099.17
Commercial paper and cash credit	3,000.56	-	-	-	-	3,000.56
Trade and other payables	14,207.07	2,187.11	1,846.07	664.44	4.06	18,908.75
Derivative financial liabilities						
Full currency swaps	-	16.62	15.36	14.10	-	46.08

Market risk

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

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

Currency risk

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

The currency profile of financial assets and financial liabilities as at 31 March 2018 and 31 March 2017 are as below:

31 March 2018 ₹ **Crore**

Particulars	**USD**	**EURO**	**JPY**	**Others**	**Total**
Financial assets					
Trade and other receivables	0.20	-	-	4.76	4.96
Cash and cash equivalents	0.96	-	-	3.49	4.45
Other financial assets	0.08	-	-	-	0.08
Total	**1.24**	-	-	**8.25**	**9.49**
Financial liabilities					
Foreign currency bonds	15,858.03	4,071.07	-	4,226.76*	24,155.86
Unsecured foreign currency loans from banks and financial institutions	7,218.89	1,996.59	4,857.64	-	14,073.12
Trade payables and other financial liabilities	2,198.07	1,033.89	144.25	9.47	3,385.68
Total	**25,274.99**	**7,101.55**	**5,001.89**	**4,236.23**	**41,614.66**

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

31 March 2017 ₹ Crore

Particulars	USD	EURO	JPY	Others	Total
Financial assets					
Trade and other receivables	0.18	-	-	0.32	0.50
Cash and cash equivalents	1.45	-	-	0.44	1.89
Other financial assets	4.49	1.81	0.10	0.62	7.02
Total	6.12	1.81	0.10	1.38	9.41
Financial liabilities					
Foreign currency bonds	13,249.05	3,541.16	-	2,094.64 *	18,884.85
Unsecured foreign currency loans from banks and financial institutions	9,096.54	1,808.42	2,497.32	-	13,402.28
Trade payables and other financial liabilities	2,163.43	845.61	69.12	10.02	3,088.18
Total	24,509.02	6,195.19	2,566.44	2,104.66	35,375.31

* ₹ 2000.00 crore - ₹ denominated USD settled Green Masala Bonds.

Out of the above, an amount of ₹ **33.75 crore** (31 March 2017: ₹46.08 crore) is hedged by derivative instruments. In respect of the balance exposure, gain/(loss) on account of exchange rate variations on all long-term foreign currency monetary items and short-term foreign currency monetary items (up to COD) is recoverable from beneficiaries. Therefore, currency risk in respect of such exposure would not be very significant.

Sensitivity analysis

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

Embedded derivatives

Certain contracts of the Company for construction of power plants with vendors awarded through ICB (International competitive bidding) which are denominated in third currency (i.e. a currency which is not the functional currency of any of the parties to the contract) are falling under the purview of guidance provided as per Ind AS 109, 'Financial instruments' on derivatives and embedded derivatives. The Company has sought opinion from the Expert Advisory Committee (EAC) constituted by The Institute of Chartered Accountants of India on the above matter vide letter no NTPC/EAC/ICAI dated 29 September 2016. On receipt of opinion/clarification from EAC, Company will account for such contracts.

Interest rate risk

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

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

₹ Crore

Particulars	31 March 2018	31 March 2017
Financial Assets:		
Loans to related parties	**249.66**	154.97
Loans to others	**25.96**	55.34
Bank deposits	**3,892.45**	2,751.09
Total	**4,168.07**	2,961.40
Financial Liabilities:		
Fixed-rate instruments		
Bonds	**33,846.07**	34,513.63
Foreign currency loans/notes*	**29,795.23**	24,685.77
Rupee term loans	**186.31**	983.15
Commercial paper and cash credit	**6,500.32**	3,000.56
Finance lease obligations	**184.34**	145.02
	70,512.27	63,328.13
Variable-rate instruments		
Foreign currency loans/notes	**8,269.84**	7,535.66
Rupee term loans	**44,077.46**	37,137.34
	52,347.30	44,673.00
Total	**1,22,859.57**	1,08,001.13

* Includes ₹ 2000.00 crore - ₹ denominated USD settled Green Masala Bonds and ₹ 2,000 crore ₹ denominated USD settled Masala bonds (31 March 2017: includes ₹ 2000.00 crore - ₹ denominated USD settled Green Masala Bonds).

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

₹ Crore

Particulars	Profit or loss	
	50 bp increase	**50 bp decrease**
31 March 2018		
Foreign currency loans/notes	**(33.92)**	**33.92**
Rupee term loans	**(189.69)**	**189.69**
	(223.61)	**223.61**
31 March 2017		
Foreign currency loans/notes	(36.89)	36.89
Rupee term loans	(158.89)	158.89
	(195.78)	195.78

Of the above mentioned increase in the interest expense, an amount of ₹ **105.18 crore** (31 March 2017: ₹ 111.69 crore) is expected to be capitalized and recovered from beneficiaries.

69. Fair Value Measurements

a) Financial instruments by category

₹ Crore

Particulars	31 March 2018			31 March 2017		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial assets						
Investments						
- Equity instruments	1.40	104.88	-	1.40	112.08	-
Trade Receivables	-	-	7,577.97	-	-	8,173.51
Loans	-	-	935.89	-	-	767.51
Cash and cash equivalents	-	-	60.49	-	-	157.12
Other bank balances	-	-	3,917.89	-	-	2,773.37
Finance lease receivables	-	-	542.32	-	-	555.06
Derivative financial assets	3.73	-	-	-	-	-
Other financial assets*	-	-	8,617.08	-	-	6,668.19
	5.13	104.88	21,651.64	1.40	112.08	19,094.76
Financial liabilities						
Borrowings	-	-	1,16,174.91	-	-	1,04,855.55
Commercial paper and cash credit	-	-	6,500.32	-	-	3,000.56
Finance lease obligations	-	-	184.34	-	-	145.02
Trade payables	-	-	5,615.95	-	-	4,889.25
Payable for capital expenditure	-	-	13,784.68	-	-	11,578.01
Derivative financial liabilities	-	-	-	1.60	-	-
Other financial liabilities	-	-	2,127.34	-	-	2,185.63
	-	-	1,44,387.54	1.60	-	1,26,654.02

*Excluding share application money pending allotment (Refer Note 10)

b) Fair value hierarchy

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

₹ Crore

Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial assets				
- Currency and interest rate swaps	-	-	0.02	0.02
- Principal only swaps	-	-	3.71	3.71
Investments in quoted equity instruments - PTC India Ltd.	104.88	-	-	104.88
Investments in unquoted equity instruments	-	-	1.40	1.40
	104.88	-	5.13	110.01

₹ Crore

Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in quoted equity instruments - PTC India Ltd.	112.08	-	-	112.08
Investments in unquoted equity instruments	-	-	1.40	1.40
	112.08	-	1.40	113.48
Financial liabilities:				
Derivative financial liabilities:				
- Currency and interest rate swaps	-	-	0.12	0.12
- Principal only swaps	-	-	1.48	1.48
	-	-	1.60	1.60

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

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

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This level includes derivative MTM assets/liabilities. Fair value of derivative assets/ liabilities such as interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models & present value calculations.

There have been no transfers in either direction for the years ended 31 March 2018 and 2017.

c) **Valuation technique used to determine fair value:**

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

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

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

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

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

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

₹ Crore

Particulars	Level	As at 31 March 2018		As at 31 March 2017	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Loans	3	**935.89**	**828.21**	767.51	670.74
Finance lease receivables	3	**542.32**	**542.32**	555.06	555.06
Claims recoverable	3	**704.22**	**704.22**	638.97	638.97
Trade receivables	3	**-**	**-**	35.59	35.59
		2,182.43	**2,074.75**	1,997.13	1,900.36
Financial liabilities					
Bonds/Debentures	1	**4,010.35**	**3,832.25**	4,727.09	4,735.64
	2	**23,993.92**	**24,816.19**	22,655.40	24,510.07
	3	**5,841.80**	**6,119.07**	7,131.14	7,797.27
Foreign currency notes	1	**3,271.97**	**3,260.60**	-	-
	2	**12,537.69**	**13,068.76**	13,223.72	14,152.08
	3	**8,256.56**	**8,558.48**	5,595.43	5,848.55
Foreign currency loans	3	**13,998.85**	**14,177.82**	13,402.28	13,646.82
Rupee term loans	3	**44,263.77**	**44,258.67**	38,120.49	38,137.70
Trade payables and payable for capital expenditure	3	**1,994.02**	**1,681.66**	2,012.94	1,812.03
Other financial liabilities	3	**193.98**	**193.98**	247.36	247.36
		1,18,362.91	**1,19,967.48**	1,07,115.85	1,10,887.52

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

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

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

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

70. Capital Management

The Company's objectives when managing capital are to:

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

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The

Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

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

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

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

(iii) Debt service coverage ratio not less than 1.25:1 and account receivable ratio not exceeding 3:1 (in case of foreign currency borrowings)

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

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

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

₹ Crore

Particulars	**As at 31 March 2018**	As at 31 March 2017
Borrowings	**1,22,859.57**	1,08,001.13
Less: Cash and cash equivalents	**60.49**	157.12
Net Debt	**1,22,799.08**	1,07,844.01
Total Equity	**1,01,777.77**	96,231.23
Net Debt to Equity Ratio	**1.21**	1.12

71. Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'

(i) Nature of rate regulated activities

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its beneficiaries is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return.

This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

(ii) Recognition and measurement

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till the declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. The CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/ debit to 'Movements in Regulatory deferral account balances' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹ **584.72 crore** for the year ended as at 31 March 2018 has been accounted for as 'Regulatory deferral account debit balance' (31 March 2017: ₹ 187.09 crore accounted as 'Regulatory deferral account credit balance'.)

Revision of pay scales of employees of PSEs are due w.e.f. 1 January 2017 (Refer Note 32). Based on the recommendations of the constituted committee to the Government inter-alia includes superannuation benefits @ 30% of basic + DA to be provided to the employees of CPSEs which includes gratuity at the enhanced ceiling of ₹ 0.20 crore from the existing ceiling of ₹ 0.10 crore. As per Proviso 8(3) of Terms and Conditions of Tariff Regulations 2014 applicable for the period 2014-19, truing up exercise in respect of Change in Law or compliance of existing law will be taken up by CERC. The increase in gratuity from ₹ 0.10 crore to ₹ 0.20 crore falls under the category of 'Change in law' and a regulatory asset was created in the previous year. During the year, the Payment of Gratuity Act,1972 has been amended and the ceiling has been increased to ₹ 0.20 crore.

Considering the methodology followed by the CERC for allowing impact of the previous pay revision, various tariff orders issued by the CERC under Regulations, 2014 and the above-mentioned provision related to the change in law of CERC Tariff Regulations, 2014, a regulatory asset has been created (Regulatory deferral account debit balance) towards the increase in O&M expenditure due to the pay revision. This will be claimed upon implementation of revision of pay scales and discharge of related liabilities. Accordingly, an amount of ₹ **118.32 crore** for the year ended 31 March 2018 has been accounted for as 'Regulatory deferral account debit balance' (31 March 2017: ₹ 522.83 crore).

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances:

(i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply

(ii) regulatory risk on account of changes in regulations and submission or approval of rate-setting application or the entity's assessment of the expected future regulatory actions

(iii) other risks including currency or other market risks, if any

(iv) Reconciliation of the carrying amounts:

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

a) Regulatory deferral account credit balance - Note 35

The regulatory liability recognized in the books in respect of the amount payable to the beneficiaries in future periods are as follows:

₹ Crore

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
A. Opening balance	**482.74**	295.65
B. Addition during the year	-	193.38
C. Amount collected/refunded during the year	-	6.29
D. Amount transferred to regulatory deferral account debit balances	**482.74**	-
E. Regulatory deferral account balances recognized in the statement of profit and loss (B-C)	-	187.09
F. Closing balance	-	482.74

b) Regulatory deferral account debit balance - Note 19

The regulatory assets recognized in the books to be recovered from the beneficiaries in future periods are as follows:

₹ Crore

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
A. Opening balance	522.83	-
B. Addition during the year	697.03	522.83
C. Amount collected/refunded during the year	6.01	-
D. Amount transferred from regulatory deferral account credit balances	482.74	-
E. Regulatory deferral account balances recognized in the statement of profit and loss (B+C)	703.04	522.83
F. Closing balance (A+B+C-D)	**743.13**	522.83

c) Net movements in regulatory deferral account balances [I]	**703.04**	335.74
d) Tax on net movements in regulatory deferral account balances [II]	**150.04**	71.82
e) Total amount recognized in the statement of profit and loss during the year [I-II]	**553.00**	263.92

The Company expects to recover the carrying amount of regulatory deferral account debit balance over a period of 10 years.

72. Information in respect of micro and small enterprises as at 31 March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

₹ Crore

Particulars	31 March 2018	31 March 2017
a) Amount remaining unpaid to any supplier:		
Principal amount	**450.82**	347.87
Interest due thereon	**1.50**	0.11
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	**0.01**	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	**0.01**	0.01
d) Amount of interest accrued and remaining unpaid	**1.50**	0.01
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	**-**	-

73. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

A. Loans and advances in the nature of loans:

1. To Subsidiary companies

₹ Crore

Name of the Company	Outstanding balance as at		Maximum amount outstanding during the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Kanti Bijlee Utpadan Nigam Ltd.	**201.00**	121.00	**201.00**	121.86
Patratu Vidyut Utpadan Nigam Ltd.	**41.75**	33.25	**50.00**	33.25

2. To Joint venture companies

₹ Crore

Name of the Company	Outstanding balance as at		Maximum amount outstanding during the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
National High Power Test Laboratory Private Ltd.	**6.00**	-	**6.00**	-

3. To Firms/companies in which directors are interested : ₹ Nil

B. Investment by the loanee (as detailed above) in the shares of NTPC : ₹ Nil

74. Contingent liabilities and commitments

A. Contingent liabilities

a. Claims against the Company not acknowledged as debts

(i) Capital works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for ₹ **12,533.49 crore** (31 March 2017: ₹ 12,753.91 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The Company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

(ii) Land compensation cases

In respect of land acquired for the projects, the erstwhile land owners have claimed higher compensation before various authorities/courts which are yet to be settled. Against such cases, contingent liability of ₹ **379.98 crore** (31 March 2017: ₹ 349.31 crore) has been estimated.

(iii) Fuel suppliers

a) Pending resolution of the issues with the coal companies, an amount of ₹ **2,869.21 crore** (31 March 2017: ₹ 2,570.55 crore) towards grade slippage pursuant to third party sampling has been estimated by the Company as contingent liability. Further, an amount of ₹ **678.46 crore** (31 March 2017: ₹ 661.50 crore) towards surface transportation charges, custom duty on service margin on imported coal etc. has been estimated by the Company as contingent liability.

b) Pending resolution of the issues with a fuel company for supply of RLNG, an amount of ₹ **5,821.61 crore** (31 March 2017: ₹ 4,173.57 crore) towards the take or pay claim has been estimated by the Company as contingent liability.

The Company is pursuing with the fuel companies, related ministries and other options under the dispute resolution mechanism available for settlement of these claims.

(iv) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fee, penalty on diversion of agricultural land to non-agricultural use, non agricultural land assessment tax, water royalty, other claims, etc. and by others, contingent liability of ₹ **339.17 crore** (31 March 2017: ₹ 253.15 crore) has been estimated.

(v) Possible reimbursement in respect of (i) to (iii) above

The contingent liabilities referred to in (i) above, include an amount of ₹ **648.26 crore** (31 March 2017: ₹ 919.33 crore) relating to the hydro power project stated in Note 10 (a) - Other financial assets, for which Company envisages possible reimbursement from the GOI in full. In respect of balance claims included in (i) and in respect of the claims mentioned at (ii) above, payments, if any, by the Company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Tariff Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement by way of recovery through tariff as per Regulations is ₹ **9,199.87 crore** (31 March 2017: ₹ 7,373.54 crore).

b. Disputed tax matters

Disputed income tax/sales tax/excise and other tax matters pending before various Appellate Authorities amount to ₹ **7,907.61 crore** (31 March 2017: ₹ 6,934.90 crore). Many of these matters were adjudicated in favour of the Company but are disputed before higher authorities by the concerned departments. In respect of these disputed cases, the Company estimate possible reimbursement of ₹ **3,868.74 crore** (31 March 2017: ₹ 3,302.47 crore). The amount paid under dispute/adjusted by the authorities in respect of the cases amounts to ₹ **2,470.24 crore** (31 March 2017: ₹ 6,499.22 crore).

c. Others

Other contingent liabilities amount to ₹ **2,536.13 crore** (31 March 2017: ₹ 213.92 crore) which includes claim of ₹ **2,026.30 crore** (31 March 2017: ₹ Nil) pending before arbitral tribunal. Refer Note 56 (b).

Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.

B. Contingent assets

While determining the tariff for some of the Company's power stations, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

C. Commitments

a). Estimated amount of contracts remaining to be executed on capital account (property, plant and equipment and intangible assets) and not provided for as at 31 March 2018 is ₹ **38,119.11 crore** (31 March 2017: ₹ 48,607.62 crore).

Details of the same are as under:

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
Property, plant and equipment	**38,118.24**	48,401.83
Intangible assets	**0.87**	205.79

b). In respect of investments of ₹ **2,766.54 crore** including share application money pending allotment of ₹ **32.00 crore** (31 March 2017: ₹ 2,418.01 crore including share application money pending allotment of ₹ 515.86 crore) in subsidiary companies, the Company has restrictions for their disposal as at 31 March 2018 as under:

₹ Crore

Name of the Subsidiary	**Period of restrictions for disposal of investments as per related agreements**	**Amount invested as at**	
		31 March 2018	31 March 2017
Bhartiya Rail Bijlee Company Ltd.	5 years from the date of commercial operation of the last unit of the project.	**1,599.53**	1,420.54
Kanti Bijlee Utpadan Nigam Ltd.	5 years from the date of commercial operation. Further, as per loan agreement, minimum equity of 51% shall be maintained at all times until final settlement of loan i.e., 4 years moratorium period and subsequently 11 years for repayment.	**1,042.89**	962.89
Patratu Vidyut Utpadan Nigam Ltd.	5 years from the date of signing of agreement or till the date of commercial operation of the last new unit of Phase-I, whichever is later.	**124.12**	34.58
Total		**2,766.54**	2,418.01

c). In respect of investments of ₹ **3,805.30 crore** including share application money pending allotment of ₹ **276.85 crore** (31 March 2017: ₹ 2,785.99 crore including share application money pending allotment of ₹ 164.00 crore) in the joint venture companies, the Company has restrictions for their disposal as at 31 March 2018 as under:

₹ Crore

Name of the Joint Venture Company	**Period of restrictions for disposal of investments as per related agreements**	**Amount invested as at**	
		31 March 2018	31 March 2017
Transformers and Electricals Kerala Ltd.	3 years from the date of acquisition (i.e.19.06.2009) or upgradation capacity enhancement scheme whichever is later. Also refer Note 6 (d).	**31.34**	31.34
NTPC BHEL Power Projects Private Ltd.	3 years from the date of completion of first EPC contract of single order value of not less than ₹ 500 crore or till further such time as mutually agreed. Also refer Note 6 (b).	**50.00**	50.00
National High Power Test Laboratory Private Ltd.	5 years from the date of incorporation (i.e. 22.05.2009) or completion of project whichever is later.	**30.40**	30.40
CIL NTPC Urja Private Ltd.	5 years from the date of incorporation (i.e. 27.04.2010) or commercial operation whichever is later.	**0.08**	0.08
Trincomalee Power Company Ltd.	12 years from the initial operation date.	**15.20**	15.20
Bangladesh-India Friendship Power Company Private Ltd.	15 years from the date of commercial operation date.	**277.83**	134.20
Meja Urja Nigam Private Ltd.	5 years from the date of incorporation (i.e. 02.04.2008) or commercial operation whichever is later.	**1,209.33**	1,166.44
Nabinagar Power Generating Company Private Ltd.	5 years from the date of incorporation (09.09.2008) or commercial operation whichever is later. Further, NTPC shall not transfer/assign or pledge shares of the JV until final settlement of loan i.e. 5 years moratorium and subsequently 15 years for repayment.	**1,857.87**	1,353.30

₹ Crore

Name of the Joint Venture Company	Period of restrictions for disposal of investments as per related agreements	Amount invested as at	
		31 March 2018	31 March 2017
Hindustan Urvarak & Rasayan Ltd.	5 years from the date of incorporation (15.06.2016) or 2 years from commercial operation date of any one of the proposed projects at Sindri, Gorakhpur and Barauni or date of allotment of shares for first time, whichever is later.	333.25	5.03
Total		**3,805.30**	2,785.99

d). In respect of other investments of ₹ **1.40 crore** (31 March 2017: ₹ 1.40 crore), the Company has restrictions for their disposal as at 31 March 2018 as under:

₹ Crore

Name of the Company	Period of restrictions for disposal of investments as per related agreements	Amount invested as at	
		31 March 2018	31 March 2017
International Coal Ventures Private Ltd.	5 years from the date of incorporation (i.e. 20.05.2009) or till such time an undertaking for non-disposal of such share is given to FI/Banks for their assistance to the Company. Also refer Note 7(c).	1.40	1.40
Total		**1.40**	1.40

e). The Company has commitments of ₹ **3,993.01 crore** (31 March 2017: ₹ 1,162.56 crore) towards further investment in the subsidiary companies as at 31 March 2018.

f). The Company has commitments of ₹ **3,748.92 crore** (31 March 2017: ₹ 3,073.90 crore) towards further investment in the joint venture entities as at 31 March 2018.

g). The Company has commitments of ₹ **507.60 crore** (31 March 2017: ₹ 507.60 crore) towards further investment in other investments as at 31 March 2018.

h). The Company has commitments of bank guarantee of 0.50 % of total contract price to be undertaken by NTPC-BHEL Power Projects Private Ltd. limited to a cumulative amount of ₹ **75.00 crore** (31 March 2017: ₹ 75.00 crore).

i). Company's commitment towards the minimum work programme in respect of oil exploration activities of joint operations has been disclosed in Note 66.

j). S.O. 254 (E) dated 25 January 2016 issued by the Ministry of Environment, Forest and Climate Change (MOEF), GOI provides that the cost of transportation of ash for road construction projects or for manufacturing of ash based products or use as soil conditioner in agricultural activity within a radius of hundred kilometers from a coal based thermal power plant shall be borne by such coal based thermal power plant and the cost of transportation beyond the radius of hundred kilometers and up to three hundred kilometers shall be shared equally between the user and the coal based thermal power plant. Further, the coal or lignite based thermal power plants shall within a radius of three hundred kilometers bear the entire cost of transportation of ash to the site of road construction projects under Pradhan Mantri Gramin Sadak Yojna and asset creation programmes of the Government involving construction of buildings, road, dams and embankments. Accordingly, the Company has commitment to bear/share the cost of transportation of fly ash from its coal based stations on lifting of the fly ash by the users. Based on an independent expert opinion, the Company's obligation towards the transportation cost of fly ash will arise only on lifting and transportation of the fly ash. Further, the Company's liability on this account, if any shall be first met from the 'Fly Ash Utilization Reserve Fund' maintained by the Company in terms of MOEF Notification dated 3 November 2009.

k). Company's commitment in respect of lease agreements has been disclosed in Note 56.

75. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
A. Amount required to be spent during the year	220.75	227.85
B. Amount spent during the year on:		
a) Construction/acquisition of any asset	2.45	4.46
b) On purposes other than (a) above	239.09	273.35
Total	**241.54**	277.81

i) **Amount spent during the year ended 31 March 2018:**

₹ Crore

Particulars	In cash	Yet to be paid in cash	Total
a) Construction/acquisition of any asset	**2.44**	**0.01**	**2.45**
b) On purposes other than (a) above	**211.84**	**27.25**	**239.09**

ii) **Amount spent during the year ended 31 March 2017:**

₹ Crore

Particulars	In cash	Yet to be paid in cash	Total
a) Construction/acquisition of any asset	4.44	0.02	4.46
b) On purposes other than (a) above	250.31	23.04	273.35

C. Break-up of the CSR expenses under major heads is as under:

₹ Crore

Particulars	As at 31 March 2018	As at 31 March 2017
1. Swachh vidyalaya abhiyan	**10.52**	35.73
2. Healthcare and sanitation	**36.96**	55.52
3. Education and skill development	**65.26**	60.45
4. Rural development	**32.11**	51.30
5. Environment	**56.22**	35.33
6. Drinking water	**12.34**	9.36
7. Sports	**1.58**	1.90
8. Capacity building	**-**	11.39
9. Protection of national heritage, art and culture	**14.57**	0.82
10.Other CSR activities	**11.98**	16.01
Total	**241.54**	277.81

For and on behalf of the Board of Directors

(K.P. Gupta)
Company Secretary

(Sudhir Arya)
Chief Financial Officer

(K.Sreekant)
Director (Finance)

(Gurdeep Singh)
Chairman & Managing Director

These are the notes referred to in Balance Sheet and Statement of Profit and Loss

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg. No. 006711N/N500028

For PSD & Associates
Chartered Accountants
Firm Reg. No. 004501C

For Sagar & Associates
Chartered Accountants
Firm Reg. No. 003510S

(Neena Goel)
Partner
M. No. 057986

(Thalendra Sharma)
Partner
M No.079236

(B. Aruna)
Partner
M No.216454

For Kalani & Co.
Chartered Accountants
Firm Reg. No. 000722C

For P. A. & Associates
Chartered Accountants
Firm Reg. No. 313085E

For S. K. Kapoor & Co.
Chartered Accountants
Firm Reg. No. 000745C

For B M Chatrath & Co LLP
Chartered Accountants
Firm Reg. No. 301011E/E300025

(Vikas Gupta)
Partner
M No. 077076

(S. S. Poddar)
Partner
M. No. 051113

(V.B. Singh)
Partner
M.No.073124

(P.R. Paul)
Partner
M.No.051675

Place : New Delhi
Dated : 28 May 2018