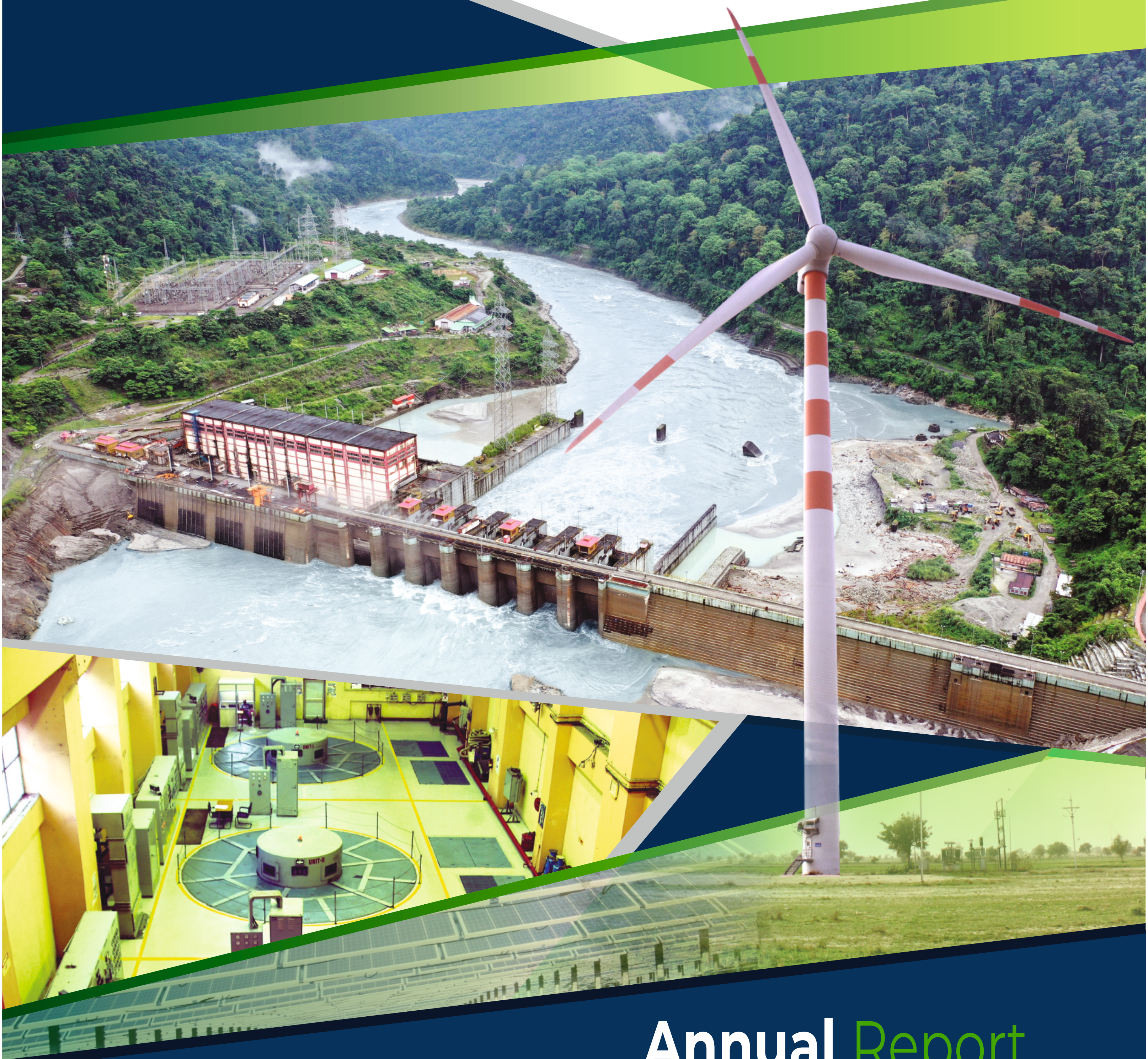


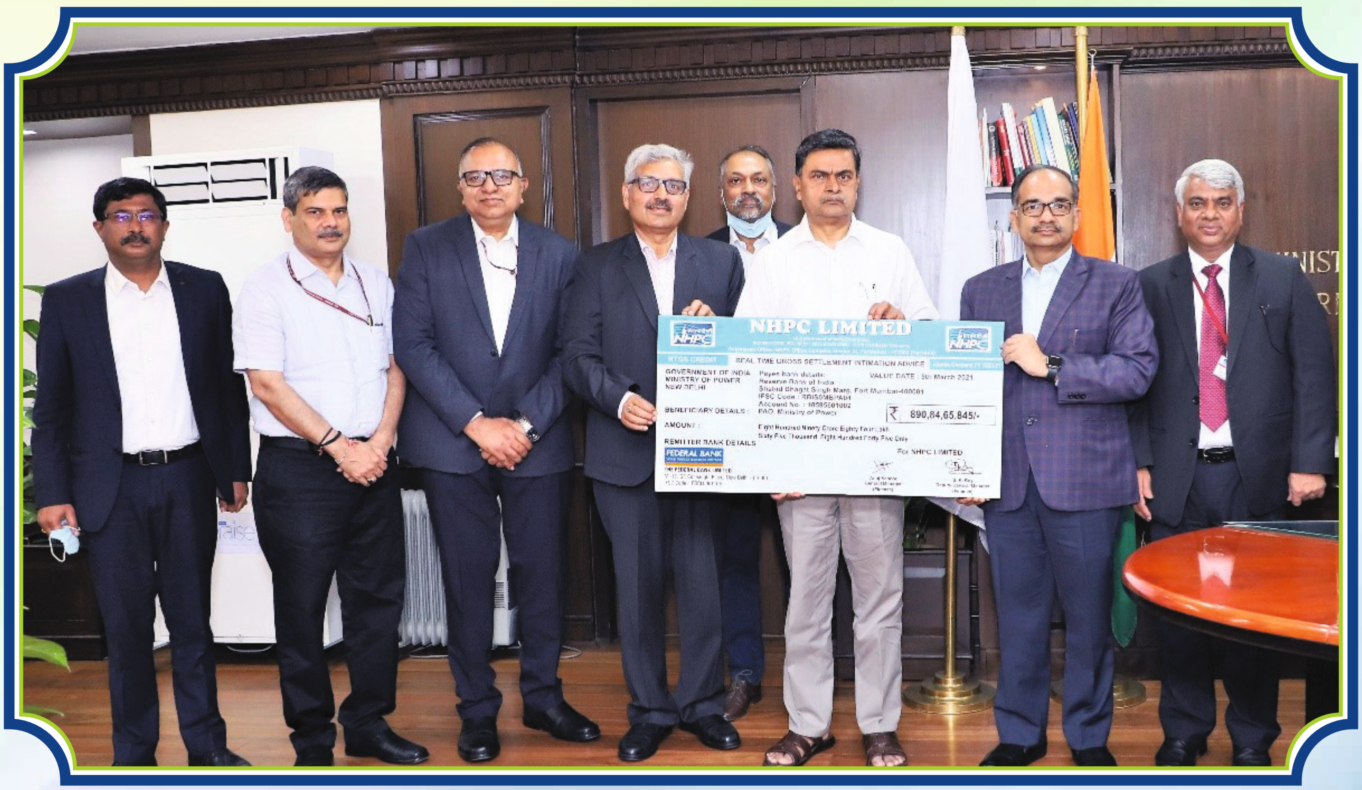
# Annual Report 2020-21

## CORPORATE VISION

To be a global leading organization for sustainable development of clean power through competent, responsible and innovative values.

## CORPORATE MISSION

- ✓ To achieve excellence in development of clean power at international standards.
- ✓ To execute & operate projects through efficient and competent contract management and innovative R&D in environment friendly and socio-economically responsive manner.
- ✓ To develop, nurture and empower the human capital to leverage its full potential.
- ✓ To practice the best corporate governance and competent value based management for a strong corporate identity and showing concern for employees, customer, environment and society.
- ✓ To adopt & innovate state-of-the-art technologies and optimize use of natural resources through effective management.




**Shri A.K. Singh, CMD, NHPC handing over dividend payout advice to Shri R.K. Singh, Hon'ble Cabinet Minister (Power, New & Renewable Energy), Government of India in the presence of Shri Alok Kumar, Secretary (Power) Government of India, Shri S.K.G. Rahate, Additional Secretary (Power) Government of India, Shri Tanmay Kumar, Joint Secretary (Hydro), Ministry of Power and Shri N.K. Jain, Director (Personnel), Shri R.P. Goyal, Director (Finance) and Shri Biswajit Basu, Director (Projects) from NHPC.**

# CONTENTS

## NHPC



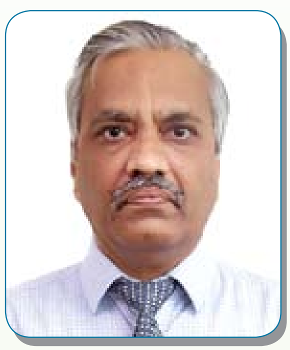
## CONSOLIDATED

# BOARD OF DIRECTORS

**(As on August 27, 2021)**

**Shri Abhay Kumar Singh**
Chairman & Managing Director

**Shri Nikhil Kumar Jain**
Director (Personnel)



**Shri Yamuna Kumar Chaubey**
Director (Technical)

**Shri Rajendra Prasad Goyal**
Director (Finance)

**Shri Biswajit Basu**
Director (Projects)

**Shri Tanmay Kumar**
Government Nominee Director

# REFERENCE INFORMATION

## Registered & Corporate Office

NHPC Office Complex
Sector-33, Faridabad, Haryana-121003
Ph.: +91 129 2588500, +91 129 2588110
Fax : +91 129 2278018
Website: www.nhpcindia.com
CIN: L40101HR1975GOI032564

## Company Secretary

Shri Saurabh Chakravorty

## Statutory Auditors

**M/s Arora Vohra & Co.**
Chartered Accountants,
Chaitanya Complex, Prem Bhawan,
Residency Road, Jammu Tawi – 180001
Jammu & Kashmir

**M/s K.G. Somani & Co. LLP**
Chartered Accountants,
3/15, 4th Floor, Asaf Ali Road,
Near Delite Cinema, New Delhi – 110002

**M/s Lodha & Co.**
Chartered Accountants,
14, Government Place East, Kolkata – 700069

## Cost Auditors

**M/s Dhananjay V. Joshi & Associates**
C-40, West Gorakh Park Extention Shahdara,
New Delhi-110032

**M/s ABK & Associates**
103, Aggarwal Tower, H-6, Netaji Subhash Place,
Pitampura, Delhi-110034

**M/s Narasimha Murthy & Co.**
16, Qutab View Apartments,
Opp. Qutab Clarian Hotel,
Shaheed Jeet Singh Marg, New Delhi-110016

**M/s R. M. Bansal & Co.**
Flat No 260, Pocket - A,
Sarita Vihar, New Delhi–110076

**M/s K. G. Goyal & Co.**
Plot No. 8, Chitragupta Nagar 1st, Jyoti Nagar
Railway Crossing, Jaipur, Rajasthan – 302005

**M/s AJS and Associates**
5, Bangali Muhalla, Karanpur
Dehradun, Uttarakhand-248001

**M/s Bandyopadhyaya Bhaumik & Co.**
126-D, Satyen Roy Road
Kolkata, West Bengal –700034

**M/s Y S Thakar & Co.**
Nima Colony, Station Road
Barakar, Asansol, Dist. Burdwan
Asansol, West Bengal–713324

## Secretarial Auditor

**M/s Agarwal S. & Associates**
Company Secretaries
D-427, 2nd Floor, Palam Extn.,
Ramphal Chowk, Sector-7, Dwarka,
New Delhi – 110075

## Internal Auditor

Shri Kuppile Lakshman Acharyulu,
General Manager (Finance)

## Bankers

State Bank of India
Indian Overseas Bank
ICICI Bank Ltd.
Jammu & Kashmir Bank
Bank of India
Axis Bank
HDFC Bank
Indusind Bank
Bank of Baroda
Deutsche Bank
Central Bank of India
Kotak Mahindra Bank
YES Bank
AU Small Finance Bank
Punjab National Bank
Canara Bank
IDFC Bank Ltd
Bank of Maharashtra
Union Bank of India
Federal Bank
RBL Bank
IDBI Bank

## Registrar & Share Transfer Agent

**For Equity Shares:**

Alankit Assignments Limited
Alankit House, 4E/2 Jhandewalan Extension,
New Delhi - 110055, INDIA
Tel: 011 4254 1234, 011 4254 1951
Fax: 011 4254 1201, 011 2355 2001
E-mail ID: alankit.nhpc@alankit.com
Toll free No: 1860 121 2155

**For Tax Free Bonds:**

KFin Technologies Private Limited
Selenium Tower- B, Plot No. 31-32,
Gachibowli Financial District,
Nanakramguda, Serilingampally, Hyderabad,
Rangareddi, Telangana – 500032
Tel: 040 6716 2222 Fax: 040 2300 1153
Toll Free No: 1800 345 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

**For other Bonds:**

RCMC Share Registry Private Limited
B-25/1, First Floor, Okhla Phase-II,
New Delhi-110020
Ph: 011-26387320
Email: investor.services@rcmcdelhi.com

## Chief Investor Relations Officer

Shri Anuj Kapoor,
General Manager (Finance)

## Listing of Securities

**Shares and Tax Free Bonds:**

BSE Limited
National Stock Exchange of India Limited

**Other bonds issued on Private Placement (Under Wholesale Debt Market Segment):**

'Y1', 'AA', 'AA1', 'AB' and 'AC' series Bonds – BSE Limited and National Stock Exchange of India Limited

'V', 'V2', 'W1' and 'W2' Series Bonds – BSE Limited

All other Bonds – National Stock Exchange of India Limited

## Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

## Debenture Trustees

| | |
|---|---|
| **9% P Series Bonds, 9.25% Q Series Bonds, Tax Free Bonds NHPC 2013 (8.18% 1A series, 8.43% 1B series, 8.54% 2A series, 8.79% 2B series, 8.67% 3A series and 8.92% 3B series), 8.49% S1 Series Bonds, 8.54% S2 Series Bonds, 8.50% T Series Bonds, 6.84% V Series Bonds, 7.52% V2 Series Bonds, 6.91% W1 Series Bonds, 7.35% W2 series Bonds, 8.65% X series Bonds, 8.12% GOI Fully Serviced Bonds, 7.50% Y Series Bonds, 7.38% Y1 Series Bonds ,7.13% AA Series Bonds, 6.89% AA-1 Series Bonds, 6.80% AB Series Bonds** | **IDBI Trusteeship Services Ltd.**<br>Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate, Mumbai- 400001<br>Ph.: +91 22 40807000<br>Email: itsl@idbitrustee.com |
| **8.70% R1 Series Bonds<br>8.85% R2 Series Bonds<br>8.78% R3 Series Bonds<br>8.24% U Series Bonds<br>8.17% U1 Series Bonds<br>6.86% AC Series Bonds.** | SBICAP Trustee Company Ltd.<br>Apeejay House, 6th Floor,<br>3, Dinshaw Wachha Road,<br>Church Gate, Mumbai – 400020<br>Ph.: +91 22 43025553/55/66<br>Email: helpdesk@sbicaptrustee.com |

# DIGEST OF IMPORTANT FINANCIAL DATA (STANDALONE ACCOUNTS)

(₹ in Crore)

| | FINANCIAL | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---|---|---|---|---|---|
| A | SALE OF POWER | 8,094.06 | 8,301.03 | 8,095.13 | 6,868.64 | 7,139.46 |
| B | OTHER OPERATING INCOME, REVENUE FROM POWER TRADING & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS | 412.52 | 434.12 | 66.05 | 65.39 | 131.71 |
| C | OTHER INCOME | 1,150.81 | 1,036.44 | 924.78 | 1,491.00 | 1,458.67 |
| D | **TOTAL INCOME (A) + (B) + (C )** | **9,657.39** | **9,771.59** | **9,085.96** | **8,425.03** | **8,729.84** |
| E | PURCHASE OF POWER FOR TRADING | 212.37 | 234.13 | 12.68 | - | - |
| F | GENERATION EXPENSE | 854.37 | 901.67 | 796.85 | 716.39 | 773.67 |
| G | EMPLOYEE BENEFITS EXPENSE | 1,409.26 | 1,515.52 | 1,704.65 | 1,585.33 | 1,574.92 |
| H | DEPRECIATION & AMORTIZATION EXPENSE | 1,234.50 | 1,545.34 | 1,589.99 | 1,405.89 | 1,388.40 |
| I | FINANCE COST | 649.59 | 795.42 | 894.88 | 922.32 | 1,073.22 |
| J | OTHER EXPENSE | 1,425.89 | 1,514.95 | 1,165.53 | 989.18 | 1,159.02 |
| K | **TOTAL EXPENSE (E)+ (F) + (G) + (H) + (I)+ (J)** | **5,785.98** | **6,507.03** | **6,164.58** | **5,619.11** | **5,969.23** |
| K1 | EXCEPTIONAL ITEM | **185.00** | - | - | - | - |
| L | **PROFIT BEFORE TAX AND RATE REGULATED INCOME (D) - (K)-(K1)** | **3,686.41** | **3,264.56** | **2,921.38** | **2,805.92** | **2,760.61** |
| M | RATE REGULATED INCOME ON ACCOUNT OF FINANCE COST | 78.10 | 157.61 | 76.78 | 331.39 | 365.32 |
| N | RATE REGULATED INCOME ON ACCOUNT OF OTHERS | 148.99 | 186.00 | 746.62 | 388.43 | 348.67 |
| O | **TOTAL RATE REGULATED INCOME (M) + (N)** | **227.09** | **343.61** | **823.40** | **719.82** | **713.99** |
| P | **PROFIT BEFORE TAX (L) + (O)** | **3,913.50** | **3,608.17** | **3,744.78** | **3,525.74** | **3,474.60** |
| Q | INCOME TAX EXPENSES | 680.13 | 601.00 | 1,114.23 | 767.09 | 679.01 |
| R | **PROFIT AFTER TAX (P) - (Q)** | **3,233.37** | **3,007.17** | **2,630.55** | **2,758.65** | **2,795.59** |
| S | **OTHER COMPREHENSIVE INCOME** | **7.20** | **(0.62)** | **(12.41)** | **5.88** | **7.67** |
| T | **TOTAL COMPREHENSIVE INCOME (R) + (S)** | **3,240.57** | **3,006.55** | **2,618.14** | **2,764.53** | **2,803.26** |
| U | AUTHORISED SHARE CAPITAL | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 |
| V | PAID UP EQUITY SHARE CAPITAL | 10,045.03 | 10,045.03 | 10,045.03 | 10,259.32 | 10,259.32 |
| W | OTHER EQUITY (RESERVE AND SURPLUS) | 21,602.28 | 19,938.78 | 19,169.70 | 18,068.83 | 16,682.81 |
| X | LONG TERM/ NON CURRENT BORROWINGS INCLUDING LEASE OBLIGATIONS | 21,241.22 | 20,889.74 | 17,044.63 | 16,728.20 | 17,245.64 |
| Y | OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS | 4,117.32 | 4,169.54 | 3,910.44 | 1,688.94 | 1,985.03 |
| Z | DEFERRED TAX LIABILITIES | 3,589.36 | 3,641.19 | 3,610.63 | 1,076.64 | 938.49 |
| AA | PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT OF USE ASSETS | 20,924.54 | 23,295.52 | 23,851.84 | 19,994.31 | 20,977.21 |
| AB | CAPITAL WORK-IN-PROGRESS | 17,754.48 | 16,097.65 | 14,898.11 | 18,813.96 | 17,350.13 |
| AC | INVESTMENTS (NON CURRENT) | 3,921.68 | 3,400.74 | 2,361.66 | 2,209.56 | 2,100.32 |
| AD | OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSETS | 9,421.25 | 7,408.87 | 6,428.38 | 3,882.86 | 3,424.21 |
| AE | REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES | 7,063.31 | 6,836.22 | 6,492.61 | 3,600.46 | 2,904.32 |
| AF | WORKING CAPITAL | 1,509.95 | 1,645.28 | (252.17) | (679.22) | 355.10 |
| AG | **GROSS CAPITAL EMPLOYED (AA) + (AB) + (AC) + (AD) + (AE) + (AF)** | **60,595.21** | **58,684.28** | **53,780.43** | **47,821.93** | **47,111.29** |
| AH | CURRENT MATURITIES OF LONG TERM BORROWINGS INCLUDING LEASE OBLIGATIONS | 1,395.53 | 1,619.78 | 1,605.16 | 1,593.91 | 1,678.59 |
| AI | PAYABLE TOWARDS BONDS FULLY SERVICED BY GOVERNMENT OF INDIA | 2,017.20 | 2,017.20 | 2,017.20 | - | - |
| AJ | **NET WORTH (V)+(W)** | **31,647.31** | **29,983.81** | **29,214.73** | **28,328.15** | **26,942.13** |
| AK | **DIVIDEND PAID (INCLUDING INTERIM DIVIDEND) (Refer Note 1)** | **1,577.07** | **1,938.69** | **1,000.46** | **1,251.65** | **2,524.13** |
| AL | **VALUE ADDED (Refer Note 2)** | **7,111.93** | **7,267.65** | **7,835.07** | **7,016.23** | **7,046.12** |
| | **DISTRIBUTION :-** | | | | | |
| | **i) TO EMPLOYEES (Refer Note 3)** | 1,393.91 | 1,479.92 | 1,683.97 | 1,500.52 | 1,482.18 |

| | | | | | |
|---|---|---|---|---|---|
| **ii) TO PROVIDERS OF CAPITAL** | | | | | |
| - FINANCE COST **(Refer Note 3)** | 571.49 | 637.81 | 818.10 | 590.93 | 707.90 |
| - DIVIDEND (ON PAYMENT BASIS) **(Refer Note 1)** | 1,577.07 | 1,938.69 | 1,000.46 | 1,251.65 | 2,524.13 |
| **iii) TO GOVERNMENT-INCOME TAX AND DIVIDEND TAX (Refer Note 4)** | 680.13 | 899.78 | 1,262.80 | 893.95 | 1,151.23 |
| **iv) RETAINED IN BUSINESS** | | | | | |
| - DEPRECIATION **(Refer Note 3)** | 1,233.03 | 1,541.75 | 1,588.22 | 1,399.04 | 1,381.44 |
| - RETAINED EARNINGS | 1,656.30 | 769.70 | 1,481.52 | 1,380.14 | (200.76) |

| **RATIOS** | **2020-21** | **2019-20** | **2018-19** | **2017-18** | **2016-17** |
|---|---|---|---|---|---|
| RETURN ON CAPITAL EMPLOYED [ (P) + (I) -(M) ] / (AG) **(Refer Note 5)** | 7.40% | 7.24% | 8.48% | 8.61% | 8.88% |
| RETURN ON NET WORTH (R) / (AJ) **(Refer Note 6)** | 10.22% | 10.03% | 9.00% | 9.74% | 10.38% |
| OPERATING PROFIT RATIO **(Refer Note 6A)** | 42.19% | 37.49% | 40.12% | 47.23% | 45.04% |
| NET PROFIT RATIO (R) / (D) **(Refer Note 7)** | 33.48% | 30.77% | 28.95% | 32.74% | 32.02% |
| BOOK VALUE PER SHARE **(Refer Note 8)** | 31.51 | 29.85 | 29.08 | 27.61 | 26.26 |
| EARNING PER SHARE **(Refer Note 9)** | 3.22 | 2.99 | 2.57 | 2.69 | 2.53 |
| DIVIDEND PER SHARE (INTERIM+PROPOSED FOR THE YEAR) | 1.60 | 1.50 | 1.46 | 1.40 | 1.80 |
| DEBT EQUITY RATIO [(X)+ (AH)+ (AI)] / (AJ) **(Refer Note 10)** | 0.78 | 0.82 | 0.71 | 0.65 | 0.70 |
| CURRENT RATIO **(Refer Note 11)** | 1.26 | 1.28 | 0.96 | 0.88 | 1.07 |
| PRICE TO EARNING RATIO **(Refer Note 12)** | 7.59 | 6.67 | 9.63 | 10.24 | 12.67 |
| EBITDA **(Refer Note 13)** | 5,718.02 | 5,787.73 | 6,151.10 | 5,515.71 | 5,563.94 |
| DEBT SERVICE COVERAGE RATIO **(Refer Note 14)** | 3.62 | 3.41 | 3.35 | 3.75 | 2.38 |
| INTEREST SERVICE COVERAGE RATIO **(Refer Note 15)** | 8.03 | 7.53 | 7.68 | 9.76 | 8.19 |

| **OPERATING PERFORMANCE** | **2020-21** | **2019-20** | **2018-19** | **2017-18** | **2016-17** |
|---|---|---|---|---|---|
| GENERATION (M.U.) | 24,471.00 | 26,121.00 | 24,193.00 | 22,625.00 | 23,948.00 |
| CAPACITY (IN MW) | 5,551.20 | 5,551.20 | 5,551.20 | 5,551.20 | 5,171.20 |
| PLANT AVAILABILITY FACTOR (%) | 84.87 | 84.04 | 84.97 | 85.32 | 83.41 |
| MAN POWER (Nos.) | 5,569 | 6,131 | 6,753 | 7,351 | 8,009 |

Note :-1 Dividend at S.No-"AK" is actual dividend paid during the year.

Note :-2 Value Added = Profit Before Tax + Finance Cost + Depreciation & Amortisation + Employee Benefit Expenses. Further, Finance Cost, Depreciation and Employee Benefit Expenses are considered net of RDA Movement.

Note :-3 In Distribution of Value Added, Distribution towards Finance Cost, Depreciation & Amortisation and Employee Benefit Expenses are considered net of RDA Movement.

Note :-4 In Distribution of Value Added, Distribution towards Government consist of Income Tax Expenses and Dividend Distribution Tax. Dividend Distribution Tax is applicable till FY 2019-20. Thereafter Dividend is taxable in the hand of recipient.

Note :-5 Return on Capital Employed = (Profit Before Tax + Finance Cost - Movement in RDA of Finance Cost) / (Total Assets - Current Liabilities)

Note :-6 Return on Net Worth=Profit After Tax / (Equity Share Capital + Other Equity)

Note :-6A Operating Profit Ratio = Operating Profit / Revenue From Operations

Note :-7 Net Profit Ratio = Profit After Tax / Total Income

Note :-8 Book Value Per Share = (Equity Share Capital + Other Equity) / No. of Equity Shares

Note :-9 Earning Per Share = Profit After Tax / No. of Equity Shares. Profit After Tax includes Movement in RDA.

Note :-10 Debt Equity Ratio = Total Debts / (Equity Share Capital + Other Equity). Total Debts includes Current Maturities of Long term Borrowings including leases and Payables towards Bonds fully serviced by Government of India.

Note :-11 Current Ratio = Current Assets / Current Liabilities

Note :-12 Price to Earning Ratio = Market Price of the Equity Share at Year End / Earning Per Share

Note :-13 EBITDA = Profit Before Tax + Finance Cost + Depreciation - RDA movement for Finance Costs and Depreciation

Note :-14 Debt Service Coverage Ratio = Profit before Interest, Depreciation and Tax Net of RDA of Interest and Depreciation / (Principal repayment, excluding payment under put option+Interest Net of RDA of Interest Part).

Note :-15 Interest Service Coverage Ratio = Profit before Interest, Depreciation and Tax Net of RDA of Interest and Depreciation / Interest Net of RDA of Interest Part.

Note:-16 Figures for the Financial Year 2016-17 to 2018-19 have been taken from the Annual Report of the respective Financial Year.

# LETTER TO SHAREHOLDERS


**We aspire to leverage every available opportunity for development of clean and sustainable power.**

**Dear Shareholders,**

Last one and half years have been extraordinarily difficult by any measure. During this period we have witnessed a global pandemic, a global recession and unprecedented government actions like lockdowns. Each one of us has faced difficult personal challenges, and many of us lost loved ones. My heart goes out to everyone who have lost their loved ones. I feel the pain and sorrow of the family members as the NHPC family too lost many of its wonderful members.

This tough period is not yet over but I am very hopeful that the impact of pandemic will recede gradually in near future, as more and more people get vaccinated. I urge you all to get vaccinated, motivate others and remain vigilant by adhering to COVID appropriate behavior. I am confident that we shall soon overcome this pandemic with discipline, focus and fortitude. We are embracing the change to create more value for our stakeholders with our incredibly talented team. We view fiscal 2021 as turning a page - we are no longer navigating a crisis - we are facing a new reality, and we are ready.

**COMBATING THE PANDEMIC**

As the pandemic raged throughout the year, we were keenly focused on what we, as a company, could do to serve the society better. I am proud of the response and what our company and our thousands of employees achieved, collectively and individually.

Your Company established COVID care centers with oxygen support facilities and related amenities at its various power stations/ projects across the country. Through our hospitals/ dispensaries we have provided 24X7 OPD services to the local populace residing near our locations. Your Company is also funding for setting up of oxygen plants at various Govt. hospitals besides providing support for purchase of oxygen concentrators to augment the supply side logistics related to availability of medical oxygen.

Vaccination is the most important armor we have against the pandemic and it is going to play a critical role in reining it. Your Company has actively participated in the vaccination drive and nearly all of the eligible employees are vaccinated. Further, coordinated efforts are being made to vaccinate all the employees of the contractors working at different projects/ power stations.

**OUTLOOK AND PERFORMANCE**

The global economic health suffered in aftermath of the pandemic. During financial year 2020-21, India's GDP contracted by 7.3%, which was the most severe contraction since Independence. Government of India has taken various steps and measures to boost the economy. Reserve Bank of India has projected a real GDP growth of 9.5 % for the current financial year and I am hopeful that the initiatives of Government of India will provide the desired impetus for achieving the targeted growth.

Despite unprecedented challenges and amidst all difficulties, your Company kept on serving the Nation by running its power stations efficiently. We have continued to deliver on our commitments to our shareholders, with strong financial results. I am delighted to inform that your Company produced sterling results during the financial year 2020-21. You will appreciate that NHPC has achieved highest ever profit after tax of ₹ 3,233.37 crore registering a growth of 7.52% y-o-y. In the principal operating segment of energy generation, NHPC generated 24,471 Million Units (MUs) during the year. In the secondary operating segment of power trading and consultancy, NHPC has traded 505.2 MUs with turnover of ₹ 218.60 crore and rendered consultancy services of ₹ 45.55 crore during the financial year 2020-21.

Your Company's total income during the financial year 2020-21 was ₹ 9,657.39 crore, which is 1.17% less than the 2019-20 figures, however it is 6.29% more than total income for financial year 2018-19. Your Company's total comprehensive income during the financial year 2020-21 was ₹ 3,240.57 crore, registering a growth of 7.78% y-o-y. During the year, your company's revenue from operations was ₹ 8,506.58 crore and was able to realize ₹ 10,114 crore which includes outstanding dues of previous years. This is the highest ever realization by your Company in a single financial year.

Considering the profit earned and sustained cash generation, the Board of Directors of your Company has proposed a final dividend of ₹ 0.35 per equity share for financial year 2020-21 subject to your approval at the ensuing AGM. The total dividend for the financial year 2020-21 amounts to ₹ 1.60 per share which includes interim dividend of ₹ 1.25 per share paid in March, 2021. On approval, the total dividend payout for the financial year 2020-21 will be ₹ 1,607.21 crore, constituting 50% of profit after tax for financial year 2020-21.

The details of operating and financial performance of the Company during financial year 2020-21 are given in the Directors' Report and its annexures. Although, we are delighted with what we have achieved so far yet we understand that we have a long way to go to fully realize the potential of our Company. However, we feel that we are on right track as in one of the most challenging times in world history, we have emerged stronger. We enter fiscal 2021 with an even more durable foundation and an exciting future.

**ASPIRATIONS**

The pandemic period has highlighted the critical and essential role of power sector in the society - its potential for bringing people together, for enabling companies and individuals to reach for their dreams, and for being a source of strength in difficult times. The need for clean power is being felt throughout the world and it provides your Company with many opportunities to grow. Hydropower is gaining a lot of traction amongst the policy makers and there is a positive vibe about the sector. We aspire to leverage every available opportunity for development of clean and sustainable power. Your Company is making constant endeavors to prepare for the future with foresight and by strengthening its core business.

Major highlights of your Company during the year are as under:

a. Incorporation of 'Ratle Hydroelectric Power Corporation Limited' (a Joint Venture Company of NHPC Limited and Jammu & Kashmir State Power Development Corporation Limited (JKSPDCL) with equity participation of 51:49 respectively) on June 1, 2021, for implementation of Ratle Hydro-electric Project (850 MW) in the Chenab River Basin in UT of Jammu and Kashmir.

b. Taking over of Jalpower Corporation Limited through Corporate Insolvency Resolution Process in March, 2021 as a wholly owned subsidiary company for implementation of Rangit IV H.E. Project (120 MW) in Sikkim.

c. Signing of Memorandum of Understanding (MoU) with JKSPDCL on January 3, 2021 for execution of Sawalkot (1,856 MW), Uri-I (Stage-II) (240 MW), Dulhasti (Stage-II) (258 MW) Hydro-electric Projects (to be implemented by NHPC) and Kirthai-II H.E. Project (930 MW) (to be implemented by Chenab Valley Power Projects Private Limited, now a subsidiary of NHPC Limited) in UT of Jammu & Kashmir. These important projects will also drive our company's future prospects and position it to grow and prosper for years to come.

d. Signing of MoU with Bihar State Hydroelectric Power Corporation Limited (BSHPC) on June 14, 2021 for implementation of Dagmara H.E. Project (130.1 MW) in Supaul District of Bihar.

e. Impetus on the construction activities at Parbati-II H.E. Project (800 MW), Himachal Pradesh and Subansiri Lower H.E. Project (2,000 MW), Assam/ Arunachal Pradesh to commission the projects by March, 2023 and August, 2023 respectively.

NHPC along with its subsidiary/ joint venture companies is presently engaged in the construction of seven hydroelectric projects with an aggregate installed capacity of 5,894 MW. Out of these hydro-electric projects, Parbati-II and Subansiri Lower with an aggregate installed capacity of 2,800 MW are being implemented on standalone basis and remaining projects are being executed through subsidiary/ joint venture companies.

Your Company is moving ahead aggressively to expand its footprints in renewable energy landscape. We have signed MoU with Indian Renewable Energy Development Agency Limited (IREDA) on January 8, 2021 for cooperation in the field of Renewable Energy. Under the Ultra Mega Renewable Energy Power Parks (UMREPPs) scheme of Ministry of New and Renewable Energy, Govt. of India, your Company has undertaken development process for solar projects of aggregate capacity of 1,150 MW in the states of Odisha (500 MW), Rajasthan (600 MW) and Kerala (50 MW). NHPC is also exploring possibilities for development of solar parks in various other states under UMREPP scheme of MNRE. I am sure that our efforts will soon bear the fruits and enhance NHPC's clean energy portfolio.

The basis of our continued success is our people. They are the ones who build the projects, make the decisions, manage the risks and drive innovation. Your management is of the view that having a great team of people - who can navigate personally challenging circumstances while dedicating themselves to professional excellence - is what ensures our prosperity, now and in the future. We are committed towards capacity building of our team to get the competitive edge.

**SOCIAL RESPONSIBILITY AND GOVERNANCE**

We understand that doing our part to make the community a better place is both the moral thing to do and a part of our culture which believes in making positive difference to our communities. We believe that being responsible towards the society is not an obligation, but is a way of expressing gratitude to the society. Your Company continued to undertake CSR initiatives to create positive impact on society at large, especially the community in the neighborhood of its operations. During the year, various CSR activities have been undertaken in the field of Education, Health, Sanitation, Drinking water, Rural Development, Skill Development, Environment and Women Empowerment etc. The expenditure on CSR & SD activities during the year 2020-21 was ₹ 79.63 crore which includes contribution of ₹ 15 crore towards PM CARES Fund.

Your management recognizes the enormous responsibility, importance and necessity for adhering to Corporate Governance norms and practices and accordingly all the operations and processes of the Company are undertaken. Your Company always makes sincere efforts to ensure compliance with the Corporate Governance requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India, to the extent compliances are within ambit of the Company. During the year 2020-21, your Company's compliance with 'DPE Guidelines on Corporate Governance' has been rated as "Excellent" as per 'Corporate Governance Grading System' prescribed by DPE.

**AWARDS AND RECOGNITIONS**

The efforts of your Company were recognized at various forums by way of awards and accolades. The Company has received following awards during the year 2020-21:

1. Prestigious 'Silver Shield' Award for Excellence in Financial Reporting for 2019-20 for Annual Report and Financial Statement of the Company for the year ended March 31, 2020 under the category of Public Sector Entities by ICAI;

2. 'Best Performing PSE' award for Excellence in Hydropower and Renewable Energy Sector at the PRAKASHmay 13th ENERTIA Awards 2020;

3. CSR award by Govt. of Haryana in recognition to CSR initiatives and the best practices in CSR by NHPC during COVID 19 pandemic; and
4. Three national level awards under various categories of Rajbhasha Kirti Puraskar Yojana for the year 2019-20.

**FUTURE PERCEPTION**

India is ranked sixth in the list of countries to make significant investments in clean energy at US$ 90 billion and is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement. As per the Central Electricity Authority (CEA) estimates, the share of renewable energy generation in India would increase from 18% to 44% by 2029-30. Growing population along with increasing electrification and per-capita usage is expected to provide impetus for power consumption. Power consumption is estimated to reach 1,894.7 TWh in 2022.

The Ministry of Power (MoP), Govt. of India has released the draft National Electricity Policy (NEP), 2021 which aims to make electricity available to all households in the next five years and to supply reliable & quality power of specified standards in efficient manner at reasonable rates. The NEP has inter-alia introduced power quality, micro grids, pump hydro storage, real time power markets in the draft policy statement as key focus areas. On finalization, NEP may prove to be a significant step to transform the power sector of the Country.

Medley of initiatives, policy decisions and other factors such as increased consumption of power with growth in population, ambitious targets of Government of India for renewable energy, schemes for electrification (DDUGJY), schemes for strengthening transmission & distribution network (IPDS), scheme for financial and operational turnaround of DISCOMS (UDAY), increased CAPEX investment in energy sector etc. make the future of country's power sector bright and convincing. We are confident that NHPC shall continue to play a leading and vital role in ensuring development of power sector, during the times to come.

Before concluding, I would like to end by placing on record appreciation to my fellow Board Members for their guidance. I would like to express my gratitude to all our stakeholders, business partners, customers, CERC, State Governments and various Ministries of Govt. of India, especially Ministry of Power for their unwavering faith and support in our endeavors. I would also like to thank entire NHPC family, for their untiring efforts and unflinched commitment to ensure supply of clean and green energy for our Country.

I also express my heartfelt gratitude to all frontline Corona warriors and other people who have been working tirelessly to ascertain our victory over the pandemic. We will win over the crisis and arise with more zeal & enthusiasm towards a better tomorrow.

Finally, on behalf of the Board of Directors of NHPC Limited, I thank you for your overwhelming trust, support and confidence.

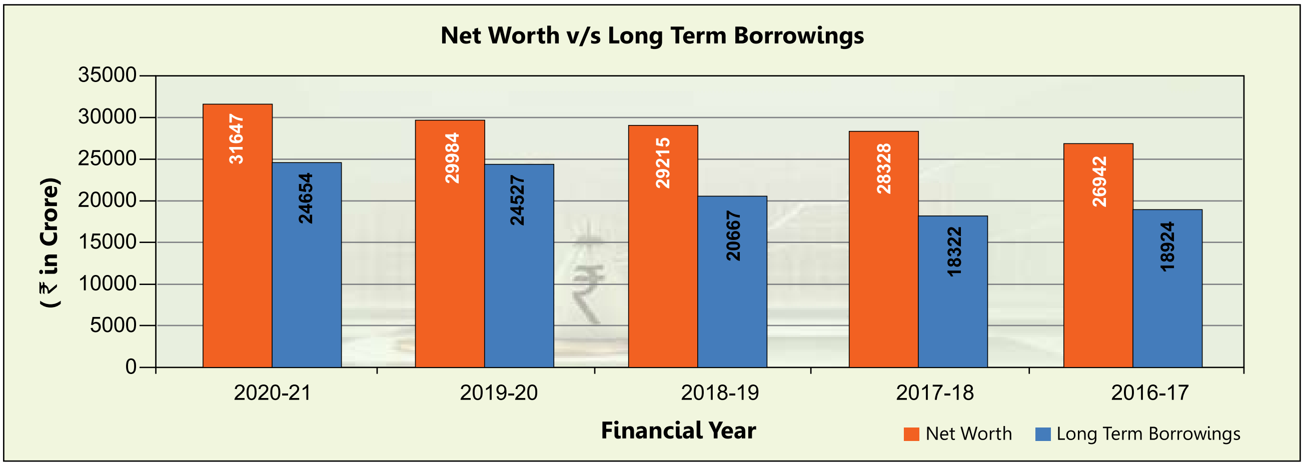
Jai Hind.

Warm regards,

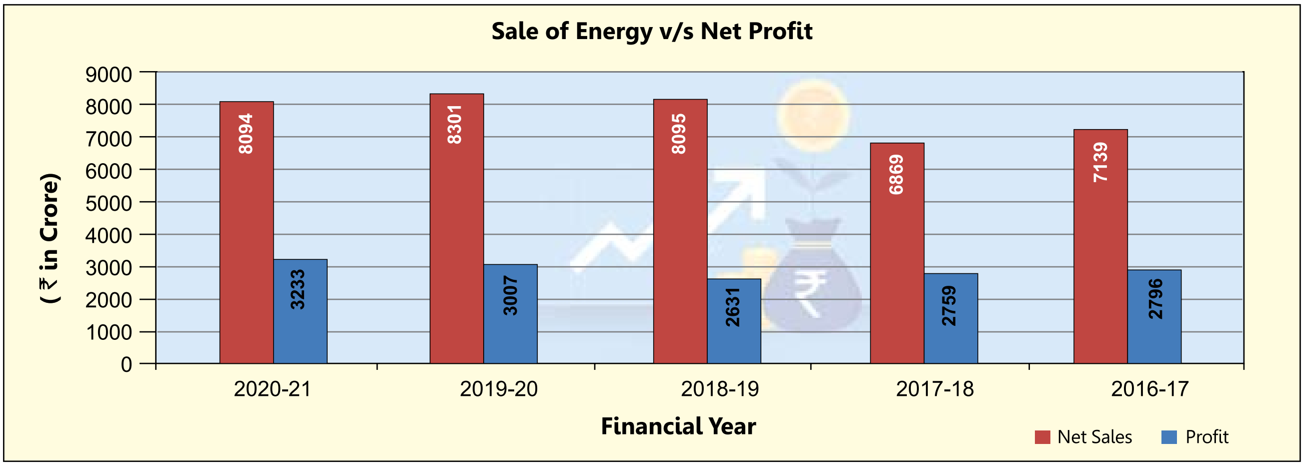
**(Abhay Kumar Singh)**
Chairman and Managing Director
DIN 08646003

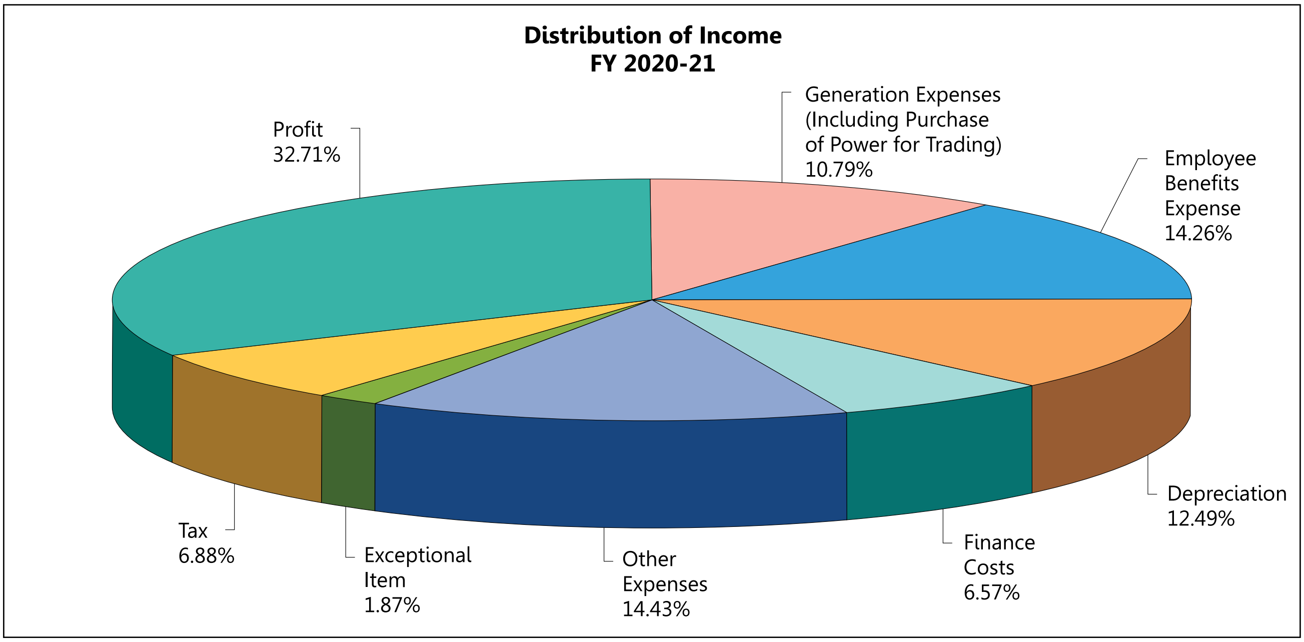
Date: August 27, 2021
Place: Faridabad

# NHPC's PERFORMANCE




[#] Long term borrowings includes current maturities thereof, Lease obligations including current maturities thereof and payables towards bonds fully serviced by Government of India.



# DIRECTORS' PROFILE

## Shri Abhay Kumar Singh
**Chairman & Managing Director**
DIN: 08646003

**Shri Abhay Kumar Singh** (59 years) is the Chairman and Managing Director of NHPC Ltd. He is also the Chairman of Board of Directors of NHDC Limited and Loktak Downstream Hydroelectric Corporation Limited.

Shri Abhay Kumar Singh, a Civil Engineering Graduate of 1983 batch from Regional Engineering College, Durgapur (now NIT) has 36 years of extensive experience in Hydro Sector. Shri Singh began his professional career as Probationary Executive in NHPC in the year 1985. Driven by a passion to succeed and possessing the requisite talent, Shri Singh steadily rose up the ranks and during this period he was associated with several marquee projects that highlighted NHPC's standing as the premier hydro power developer in the country. He played key role in execution of Projects like Tanakpur, Dhauliganga, Teesta Low Dam stage-IV, Parbati -II, Parbati-III and Kishanganga. As the head of the Renewable Energy Division, he spearheaded NHPC's efforts in diversification in Solar and wind space.

During his long association with NHPC, Shri Singh has served the organization with notable contributions. Shri Singh is well versed with all the facets of hydro power development and has worked across domains like Project monitoring and planning, Business Development besides his expertise area of Project Construction. He has always put emphasis on adopting new technologies for enhancing the Project execution capabilities of the organization.

Since assuming the charge of Chairman & Managing Director of NHPC, Shri Singh has focused on broadening the business portfolio of NHPC. MOUs have been signed for implementation of new hydro schemes with total installed capacity of 3414 MW. He has also stressed on greater persuasion with Discoms for revenue realization, resulting in the highest ever annual revenue collections.

Shri Abhay Kumar Singh has always emphasized on team approach and development of strong teams for achieving the targets of the organization. He is a firm believer in institutionalizing the best practices and implementation of innovative initiatives. Shri Singh possesses excellent blend of technical and people management skills and believes in empowering employee for quick and effective decision making.

Shri Singh is extremely passionate about hydro power development and the key role these projects play in the overall socio economic development of the Project area.

## Shri Nikhil Kumar Jain
**Director (Personnel)**
DIN: 05332456

**Shri Nikhil Kumar Jain** (59 years) holds a Bachelors' degree in Industrial Engineering from IIT Roorkee and Bachelors' degree in Law from Delhi University.

Prior to joining NHPC, Shri Jain was Director (Personnel) of Air India Limited. Shri Jain has a vast and rich experience of almost three decades in both the Government and Public Sector. He joined the Indian Railways as an Indian Railway Personnel Services Officer in 1988. He has worked at different levels in the Railways and as Executive Director (Joint Secretary) in the Ministry of Railways.

Shri Nikhil Kumar Jain joined the Board of NHPC Limited on February 7, 2017.

## Shri Yamuna Kumar Chaubey
**Director (Technical)**
DIN: 08492346

**Shri Yamuna Kumar Chaubey** (58 years) is a graduate in Civil Engineering from IIT, Kharagpur and joined NHPC Limited in 1985 as a Probationary Executive (Civil) at 540 MW Chamera Hydro-Electric Project now Chamera-I Power Station, Himachal Pradesh and continued since then to rise to present level.

Prior to joining the Board of NHPC Limited as Director (Technical) w.e.f. April 1, 2020, Shri Chaubey was Executive Director in NHPC Limited in-charge of Civil Contracts Division and E & M Contract Division at Corporate Office. He is also on the Board of Bundelkhand Saur Urja Limited as Nominee Director w.e.f. June 25, 2019.

Working for more than 34 years in various departments i.e. Contracts, Design & Engineering and Construction Projects of NHPC in various capacities, he possesses experience in all aspects of development of a hydro-project from concept to commissioning and has contributed in development of NHPC Limited.

Prior to joining NHPC Board, he held the position of Executive Director (Contracts). He was responsible for finalization and award of major contracts i.e. civil, hydro-mechanical, electro-mechanical, solar etc. including settlement of contractual issues relating to pre & post award stages of work.

His career spans for more than 25 years in Design & Engineering Division, working, in various capacities, in planning & layout engineering for PFR/FR/DPR and construction stage design of hydro-electric/river valley projects. He has to his credit planning and designing of major hydro-projects, namely 540 MW Chamera-I Project, Himachal Pradesh, 60 MW Kurichhu Project, Bhutan, 231 MW Chamera-III Project, Himachal Pradesh, 2000 MW Subansiri Lower project, Arunachal Pradesh, 2880 MW Dibang Multi-Purpose Project, Arunachal Pradesh.

He has also worked in construction of two prestigious projects of NHPC i.e. 540 MW Chamera-I Project, Himachal Pradesh - executed in collaboration with SNC/ACRES of Canada and 480 MW Uri HE Project, J&K - executed on turn-key basis by Uri Civil - a Swedish Consortium.

He also contributed as an expert member of Working Group, led by Deputy Chairman, Planning Commission for the 3rd China-India Strategic Economic Dialogue in 2014 at Beijing, China. On request of Polavaram Project Authority, in 2017, he led NHPC expert team to Polavaram Multi-Purpose project for alternate arrangement of coffer dam.

He went to Stockholm, Sweden in 1993 under Transfer of Technology Programme. He also participated in ICOLD-2004, Seoul, South Korea and ICOLD-2016, Johannesburg, South Africa.

## Shri Rajendra Prasad Goyal
**Director (Finance)**
DIN: 08645380

**Shri Rajendra Prasad Goyal** (56 years) has taken over charge of Director (Finance) of NHPC Limited on October 1, 2020.

Shri Goyal started his career in NHPC as Senior Accountant on 18th November 1988. He initially joined at Salal Project and thereafter worked at Chamera-I Project, Dulhasti Project, Regional Office, Jammu and Corporate Office, Faridabad in various capacities. Shri Goyal had been the Head of Finance at Services Division, Corporate Office and Regional Office, Jammu.Prior to taking over the charge as Director (Finance), he was working as Chief General Manager

(Finance) and heading the Corporate Accounts & Policy, Taxation, Banking, Establishment and Investor Relations Sections.

Shri Goyal is also serving as Nominee Director on the Board of Loktak Downstream Hydroelectric Corporation Limited (LDHCL), Chenab Valley Power Projects (P) Ltd. (CVPPPL), Ratle Hydroelectric Power Corporation Limited, NHDC Limited (subsidiary Companies of NHPC Limited). Shri Goyal is also elected as a Member of the Executive Board of Standing Conference of Public Enterprises (SCOPE), New Delhi.

Shri Goyal has also been given the additional charge of Director (Finance) of National Power Training Institute (NPTI), Faridabad.

Shri Goyal is a Associate Member of the Institute of Cost Accountants of India and also holds a Master's Degree in Commerce from the University of Rajasthan, Jaipur. Shri Goyal has vast experience of more than 32 years in NHPC Ltd. in the core areas of Finance with in-depth understanding and vast knowledge of Financial, Contractual and Regulatory issues involved in construction as well operations of Hydro Projects. His leadership qualities, ability to work hard with conceptual clarity and professionalism are outstanding.

During his service in NHPC, Shri Goyal has risen the professional ladder by virtue of utmost sense of responsibility, ethics and dedication to the Company. He has proved himself as an outstanding Finance Professional and has made his mark in the sustained growth of NHPC.

## Shri Biswajit Basu

**Director (Projects)**

DIN: 09003080

**Shri Biswajit Basu** (57 years) joined the Board of NHPC Limited on January 1, 2020. He graduated from Tripura Engineering College (Now NIT, Agartala) in Electrical Engineering in year 1986 and has diverse experience of more than 33 years in the field of Hydro Power.

Shri Biswajit Basu is associated with NHPC Limited since October, 1987 and steadily climbed up the professional ladder to current position with utmost sense of responsibility, ethics and dedication. In his present assignment as Director (Projects), Shri Basu is in-charge of all NHPC projects which are under construction and pre-construction stages. This includes hydro as well as renewable energy projects. Major functions of Corporate Office viz. Project Monitoring & Support Group (PMSG), IT&C, Construction Equipment Planning (CEP), Arbitration, Renewable Energy, and CSR also come under his ambit.

Prior to joining NHPC Board, Shri Basu has served NHPC in various capacities and contributed to most of the projects of NHPC during Construction and O&M Stages. During his stint, he worked as Head of Project of various projects including Chutak Power Station, Loktak Power Station, Dibang Multipurpose Project and Dhauliganga Power Station. He has also worked as CEO of Loktak Downstream Hydroelectric Corporation Limited (LDHCL). During the commissioning of TLDP – III Power Station he was the In-charge of Commissioning Team. He has attended various international Training programs across the countries like Sweden and France under Transfer of Technology Program.

Shri Basu is an avid sports person and had captained NHPC's Football Team during his tenure at Loktak Power Station (1988-1994) in All India Power Sector Football tournaments.

Presently Shri Basu is also serving as Nominee Director-Chairman on the Board of Lanco Teesta Hydro Power Limited (LTHPL) and Jalpower Corporation Limited (JPCL) (wholly owned subsidiaries of NHPC). Also he is a Nominee Director on the Board of Bundelkhand Saur Urja Limited (NHPC Joint Venture Company with UPNEDA).

## Shri Tanmay Kumar

**Government Nominee Director**

DIN: 02574098

**Shri Tanmay Kumar** (54 years), IAS, 1993 (RJ) Batch is B. Tech in Civil Engineering from IIT, Delhi and M. Tech in Soil Mechanics & Foundation Engineering from IIT, Delhi. He is presently working as Joint Secretary in Ministry of Power, Government of India and is looking after Distribution, Hydro and Admin. He has served in various capacities in Government of Rajasthan for almost 27 years - as Collector and District-Magistrate of Bharatpur, Alwar and Kota continuously for more than 6 years, in the Chief Minister's Office for 3 years in the first instance as Deputy Secretary, Special Secretary and then as Secretary to Hon'ble Chief Minister and then later for 5 years (2013-2018) in the second instance as Principal Secretary to Hon'ble Chief Minister. During his long career in public service, he has conducted himself with honesty and sincerity and is passionate about his work. He believes in strengthening the system and in continuous improvement/innovation of the existing system as well as in business process re-engineering/ government process re-engineering. He has worked as Chairman of Rajasthan Renewable Energy Corporation (RREC) for 5 years. He has a rich and varied experience of the power sector, having worked with the Chief Minister, Rajasthan who was also the Energy Minister.

He was appointed as a Government Nominee Director on the Board w.e.f. June 11, 2020.

# NHPC POWER STATIONS


| State / UT | Power Station | Installed Capacity (MW) | Year of Commissioning |
|---|---|---|---|
| J&K | Salal | 690 | 1987/1995 |
| | Uri-I | 480 | 1997-98 |
| | Dulhasti | 390 | 2007-08 |
| | Sewa-II | 120 | 2010-11 |
| | Uri-II | 240 | 2013-14 |
| | Kishanganga | 330 | 2017-18 |
| Ladakh | Nimmo Bazgo | 45 | 2013-14 |
| | Chutak | 44 | 2013-14 |
| Himachal Pradesh | Baira Siul | 180 | 1981-82 |
| | Chamera-I | 540 | 1994-95 |
| | Chamera-II | 300 | 2004-05 |
| | Chamera-III | 231 | 2012-13 |
| | Parbati-III | 520 | 2014-15 |

| State / UT | Power Station | Installed Capacity (MW) | Year of Commissioning |
|---|---|---|---|
| Uttarakhand | Tanakpur | 94.2 | 1992-93 |
| | Dhauliganga | 280 | 2005-06 |
| Sikkim | Rangit | 60 | 1999-2000 |
| | Teesta-V | 510 | 2008-09 |
| West Bengal | TLD-III | 132 | 2013-14 |
| | TLD-IV | 160 | 2015-16 |
| Manipur | Loktak | 105 | 1983-84 |
| **Total Hydro (Standalone)** | | **5451.2** | |
| Madhya Pradesh | Indira Sagar | 1000 | 2005-06 |
| | Omkareshwar | 520 | 2007-08 |
| **Total Hydro (incl. subsidiary)** | | **6971.2** | |
| Rajasthan | Wind Power | 50 | 2016-17 |
| Tamil Nadu | Solar Power | 50 | 2017-18 |
| **Grand Total** | | **7071.2** | |

# DIRECTORS' REPORT

Dear Members,

The Board of Directors are pleased to present the 45th Annual Report highlighting the development and progress of your Company along with audited financial statements, Auditors' Report thereon and review of financial statements by the Comptroller and Auditor General of India (C&AG).

Major highlights of your Company since last report are as under:

- NHPC has earned highest ever net profit (after tax) of ₹ 3,233.37 crore on standalone basis in the financial year 2020-21 compared to ₹ 3,007.17 crore in the previous financial year. The consolidated net profit rose to ₹ 3,582.13 crore in FY 2020-21 from ₹ 3,344.91 crore in previous financial year.
- Total income and revenue from operations (net) were ₹ 9,657.39 crore and ₹ 8,506.58 crore respectively during the FY 2020-21. Total comprehensive income and other comprehensive income were ₹ 3,240.57 crore and ₹ 7.20 crore respectively.
- NHPC power stations achieved generation of 24,471 Million Units (MUs) during financial year 2020-21 despite ongoing COVID-19 pandemic.
- Cash contribution of ₹ 1,118.90 crore was made to Government of India's exchequer through dividend during the financial year 2020-21.
- Ratle Hydroelectric Power Corporation Limited, a Joint Venture Company of NHPC Limited and Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) has been incorporated on June 1, 2021 with equity participation of 51:49 respectively, for implementation of Ratle Hydro-electric Project (850 MW) in the Chenab River Basin in Union Territory of Jammu and Kashmir.
- Chenab Valley Power Projects Private Limited (Earlier a Joint Venture Company of NHPC (49%), JKSPDCL (49%) and PTC (2%)) has become Subsidiary Company of NHPC consequent upon taking over of 2% equity of PTC India Limited (PTC) in CVPPPL by NHPC Limited in June, 2021.
- Jalpower Corporation Limited (JPCL) has become wholly owned subsidiary of NHPC on March 31, 2021 consequent upon its takeover by NHPC through Corporate Insolvency Resolution Process (CIRP). NHPC has infused equity of ₹ 165 crore in JPCL as consideration amount pursuant to approved resolution plan. JPCL is executing Rangit IV HE Project (120 MW) in Sikkim.
- NHPC has signed a Memorandum of Understanding (MoU) with JKSPDCL on January 3, 2021 for execution of Sawalkot (1856 MW), Uri-1 (Stage-II) (240 MW), Dulhasti (Stage-II) (258 MW), Hydro-electric Projects (to be implemented by NHPC) and Kirthai-II H.E. Project (930 MW) (to be implemented by CVPPPL) in UT of Jammu & Kashmir.
- NHPC has signed a MoU with Bihar State Hydroelectric Power Corporation Limited (BSHPC) on June 14, 2021 for implementation of Dagmara HE Project (130.1 MW) in Supaul District of Bihar.
- NHPC has signed MoU with Indian Renewable Energy Development Agency Limited (IREDA) on January 8, 2021 with a view to increase NHPC's footprint in renewable energy in the Country.

## 1. FINANCIAL PERFORMANCE

The important financial highlights for the year ended March 31, 2021 are given in **Table 1**.

**Table 1: Financial Highlights**

(₹ in crore)

| PARTICULARS | Financial Year | |
|---|---|---|
| | 2020-21 | 2019-20 |
| Revenue from operations | 8,506.58 | 8,735.15 |
| Profit before depreciation, interest, exceptional items, rate regulated income and tax | 5,755.50 | 5,605.32 |
| Depreciation | 1,234.50 | 1,545.34 |
| Profit after depreciation but before exceptional items, rate regulated income, interest and tax | 4,521.00 | 4,059.98 |
| Interest and finance charges | 649.59 | 795.42 |
| Profit after depreciation and interest but before exceptional items, rate regulated income and tax | 3,871.41 | 3,264.56 |
| Exceptional Items | (185.00) | 0.00 |

| | | |
|---|---|---|
| Rate regulated income | 227.09 | 343.61 |
| Tax | 680.13 | 601.00 |
| **Profit after depreciation, interest, exceptional items, rate regulated income and tax** | **3,233.37** | **3,007.17** |
| Other Comprehensive Income (OCI) | 7.20 | (0.62) |
| **Total Comprehensive Income (TCI)** | **3,240.57** | **3,006.55** |
| Surplus from statement of profit and loss of earlier years (including Other Comprehensive Income) | 6,009.97 | 4,995.92 |
| Transfer from bond redemption reserve | 306.43 | 244.97 |
| **Sub-total** | **9,556.97** | **8,247.44** |
| **Less : Appropriations** | | |
| Dividend and Corporate Dividend Tax (CDT) | 1,577.07 | 2,237.47 |
| **Closing Balance of Retained Earnings including Other Comprehensive Income** | **7,979.90** | **6,009.97** |

### 1.1 REVENUE

Your Company has generated total income of ₹ 9,657.39 crore during the financial year 2020-21. The total income during the financial year 2019-20 was ₹ 9,771.59 crore.

### 1.2 EXPENSES

The total expenditure during financial year 2020-21 was decreased to ₹ 5,785.98 crore as compared to ₹ 6,507.03 crore in the previous financial year.

### 1.3 TOTAL COMPREHENSIVE INCOME

Total Comprehensive Income of your Company was increased to ₹ 3,240.57 crore during the financial year 2020-21 as compared to ₹ 3,006.55 crore in the previous financial year.

### 1.4 NET WORTH

Your Company's net worth as on March 31, 2021 was ₹ 31,647.31 crore as compared to ₹ 29,983.81 crore at the end of previous financial year.

### 1.5 SHARE CAPITAL

Your Company's paid-up share capital as on March 31, 2021 was ₹ 10,045.03 crore which remained unchanged during the financial year 2020-21.

## 2. DIVIDEND

Your Company has a consistent track record of dividend payment. The Board of Directors has recommended a final dividend of Re. 0.35 per equity share for the financial year 2020-21 amounting to ₹ 351.58 crore. The above dividend is in addition to the interim dividend of ₹ 1.25 per equity share amounting to ₹ 1,255.63 crore paid in March, 2021. Accordingly, total dividend for the financial year 2020-21 comes to ₹ 1.60 per equity share amounting to ₹ 1,607.21 crore. Your Company has a Dividend Distribution Policy. As per Dividend Distribution Policy of the Company, broadly the dividend payment shall be 30% of PAT or 5% of the Net worth, whichever is higher. Accordingly, total dividend payout for financial year 2020-21 (subject to approval of final dividend by the members of the Company) @ ₹ 1.60 per share will be ₹ 1,607.21 crore representing 50% of Profit After Tax for financial year 2020-21 & 5.08% of Net worth as on March 31, 2021 as against total dividend pay-out of ₹ 1,506.76 crore representing 50% of the Profits After Tax for financial year 2019-20 & 5.03% of Net Worth as on March 31, 2020 in the previous year.

## 3. OPERATIONAL PERFORMANCE

Your company has achieved generation of 24,471 MUs of electricity during the financial year 2020-21 as against generation of 26,121 MUs in the previous financial year. Your directors are pleased to inform that NHPC power stations performed remarkably well and remained operational even during lockdown due to COVID-19 pandemic. All NHPC power stations were operated as per COVID-19 guidelines issued by Central / State Government. Chutak Power Station became the first power station of NHPC to be certified under Clean Development Mechanism (CDM) of United Nations Framework Convention on Climate Change (UNFCCC) on March 30, 2021.

During the financial year 2020-21, ten power stations of your company viz. Loktak, Salal, Tanakpur, Chamera-I, Uri, Dulhasti, Dhauliganga, Teesta-V, Uri-II & TLDP-IV have achieved their respective annual design energy. The power stations of your company have achieved overall Plant Availability Factor (PAF) of 84.87% during FY 2020-21 against 84.04% in the previous financial year. Six power stations viz. Dulhasti, Teesta-V, Chamera-III, TLDP-IV, Uri-II & Kishanganga have achieved highest ever plant availability factor. The power station wise generation and PAF are given at **Table 2.**

**Table 2: Power Station wise generation and PAF during the financial year 2020-21**

| NAME OF POWER STATION | GENERATION TARGET* (MU) | ACTUAL GENERATION (MU) | ACTUAL PAF (%) |
|---|---|---|---|
| Loktak (105 MW) | 532 | 622 | 90.52 |
| Chamera – I (540 MW) | 2471 | 2265 | 97.37 |
| Rangit (60 MW) | 326 | 289 | 86.73 |
| Chamera – II[1] (300 MW) | 1391 | 685 | 59.11 |
| Dhauliganga (280 MW) | 1110 | 1153 | 96.05 |
| Dulhasti (390 MW) | 2238 | 2330 | 101.44 |
| Teesta – V (510 MW) | 2662 | 2830 | 99.33 |
| Sewa – II[1] (120 MW) | 534 | 376 | 53.39 |
| Chamera – III (231 MW) | 1075 | 996 | 97.40 |
| TLDP – III (132 MW) | 562 | 541 | 93.14 |
| TLDP – IV (160 MW) | 691 | 719 | 94.46 |
| Bairasiul (180 MW) | 437 | 458 | 52.74 |
| Salal (690 MW) | 3654 | 3632 | 94.04 |
| Tanakpur (94.2 MW) | 461 | 473 | 73.90 |
| Uri (480 MW) | 2970 | 2986 | 91.29 |
| Chutak (44 MW) | 195 | 158 | 46.99 |
| Nimoo Bazgo (45 MW) | 218 | 218 | 72.70 |
| Uri – II (240 MW) | 1587 | 1626 | 100.71 |
| Parbati – III (520 MW) | 721 | 617 | 56.08 |
| Kishanganga (330 MW) | 1647 | 1111 | 61.72 |
| Parbati – II[2] (800 MW) | 320 | 235 | - |
| **TOTAL (HYDRO)** | **25802** | **24320** | **84.87** |
| Wind Power Project, Jaisalmer (50 MW) | 100 | 61 | - |
| Solar Power Project, Tamil Nadu (50 MW) | 98 | 90 | - |
| **TOTAL (NHPC)** | **26000** | **24471** | **84.87** |

* Targets shown are for "Very Good" rating as per MoU with Government of India.

**Note:**

1. PAF is less primarily on account of:
   (a) Long outage of Unit I & II of Chamera-II Power Station w.e.f. August 7, 2019 due to fire incidence in generator. Unit I & II restored on October 19, 2020 and November 06, 2020 respectively; and
   (b) Complete shutdown of Sewa-II Power Station w.e.f. September 25, 2020 due to damage of Head Race Tunnel (HRT).
2. Actual generation shown is infirm power

Your Company has earned net deviation charges of ₹ 154 Crore (approx.) during the financial year 2020-21 due to efficient operation and timely response to change in the grid frequency.

NHPC is undertaking Renovation & Modernization for Life Extension (R&M LE) of two Power Stations i.e. Bairasiul Power Station (180 MW) and Loktak Power Station (105 MW). Bairasiul Power Station (3 x 60 MW) completed its 35 years of commercial operation in the financial year 2016-17. R&M LE of two units i.e. Unit I & Unit II of Bairasiul Power Station were already completed. R&M LE of Unit-III which was under progress since November 27, 2020 has also been completed in August, 2021. Loktak Power Station

(3x35 MW) has completed its 35 years of commercial operation in financial year 2018-19. R&M LE of Loktak Power Station is scheduled during 2021-2024.

NHPC has successfully implemented SCADA system in its two old power stations viz. Tanakpur & Rangit. These power stations were commissioned during the year 1993 & 2000 respectively.

## 4. COMMERCIAL PERFORMANCE

Your Company's revenue from operations stood at ₹ 8,507 crore during the financial year 2020-21. Your directors are pleased to inform that NHPC has been able to realize an amount of ₹ 10,114 crore during the financial year 2020-21 which is the highest ever collection in a single financial year till date. NHPC has provided one time rebate of ₹ 185 crore to beneficiary DISCOMs on the bills raised during the period of lockdown i.e. from March 25, 2020 to May 17, 2020 to ease out the financial burden on beneficiary DISCOMs in line with the directions of Ministry of Power in the wake of COVID-19 pandemic.

As on March 31, 2021, the total outstanding dues (pending for more than 45 days) against principal bills was ₹ 1,470 crore which mainly pertains to Power Development Department, Jammu & Kashmir (₹ 1,117 crore) and Uttar Pradesh Power Corporation Limited (₹ 108 crore). The total outstanding dues against late payment surcharge is ₹ 122 crore. Your company is making all out efforts to liquidate the outstanding dues by continuous follow-up.

## 5 STATUS OF PROJECTS UNDER CONSTRUCTION

Your company along with its subsidiary / joint venture companies is presently engaged in the construction of seven hydroelectric projects namely Parbati-II (800 MW), Subansiri Lower (2000 MW), Teesta-VI (500 MW), Rangit-IV (120 MW), Ratle (850 MW), Pakal Dul (1000 MW) & Kiru (624 MW) and two Solar projects namely Ganjam (40 MW) & Kalpi (65 MW) with an aggregate installed capacity of 5,999 MW.

Out of above, two hydro-electric projects namely Parbati-II and Subansiri Lower with an aggregate installed capacity of 2,800 MW are being implemented by NHPC on standalone basis and remaining projects are being executed through subsidiary / joint venture companies. The status of under construction hydroelectric projects is given below. The status of under construction solar projects is given at Para 8 'Renewable Energy Projects'.

### 5.1 PARBATI-II H.E. PROJECT - 800 MW (4 X 200 MW), HIMACHAL PRADESH:

Parbati-II HE project is being constructed by your Company as a run-of-river scheme to harness the hydro-potential of the lower reaches of Parbati River. The project is located in Kullu District of Himachal Pradesh. The estimated annual energy generation from the project is 3,124 MUs in a 90% dependable year.

A Concrete Gravity Dam of 83.7 m height has been constructed at Village Pulga in Parbati valley to divert the river water through a 31.52 Km long Head Race Tunnel (HRT). An underground Power House of 800 MW (4 x 200 MW) capacity has been constructed at Village Suind in Sainj valley utilizing gross head of 863 m. The diverted discharge of the Parbati River has been further augmented by diverting the discharge of various nallahs viz. Jiwa, Hurla, Pancha and Manihar falling along the HRT alignment.

Major civil works of Dam, intake structure, desilting chamber, pressure shafts, surge shaft, power house, Jiwa and Hurla nallah works of the project have been completed. Electro-Mechanical (E&M) works of the project have also been completed and presently limited generation of electricity (infirm power) is being made as per availability of water from Jiwa and Hurla Nallah.

Despite very poor rock conditions, 95% HRT excavation has been completed till June, 2021. Presently, HRT excavation from both the faces (face-3 and face-4) is being carried out using Drill and Blast Method (DBM) and Tunnel Boring Machine (TBM). The project is anticipated to be commissioned by March, 2023.

States/ Union Territories of Himachal Pradesh, Punjab, Haryana, Rajasthan, Uttar Pradesh, Delhi, Jammu & Kashmir and Chandigarh will be benefitted from the power generated from Parbati-II Project.

### 5.2 SUBANSIRI LOWER H.E. PROJECT - 2,000 MW (8 X 250 MW), ARUNACHAL PRADESH:

Subansiri Lower HE Project is the biggest hydroelectric project undertaken for implementation in India so far and is a run-of-river scheme on Subansiri River, a tributary of Brahmaputra. The project is located at Gerukamukh / Kolaptukar on the border of Arunachal Pradesh and Assam.

Major components of the project includes 116m high concrete gravity dam, 8 nos. HRT with total length of 7102m, 8 nos. surge tunnels, 8 nos. pressure shafts, surface power house with 8 units of 250 MW capacity each. The estimated annual energy generation is 7,422 MUs in a 90% dependable year.

After Hon'ble National Green Tribunal (NGT) clearance vide order dated July 31, 2019, the construction work is going on in full swing at all fronts and 72% works have been completed till June, 2021. Memorandum of Agreement with Govt. of Assam and PPA with Govt. of Arunachal Pradesh were signed in August, 2019. The project is scheduled to be commissioned by August, 2023. However, best efforts are being made to commission two units by August, 2022.

Subansiri Lower Project is also implementing downstream protection works and downstream developmental works for safety and uplifting the living status of project affected families. Various Corporate Social Responsibility and Sustainable Development programmes have been implemented for welfare of the local populace of Assam/ Arunachal Pradesh.

All seven north-eastern states (Assam, Manipur, Meghalaya, Nagaland, Tripura, Arunachal Pradesh, Mizoram), six northern states/ UTs (Haryana, Punjab, Rajasthan, Uttar Pradesh, Chandigarh, Delhi) and five western states (Gujrat, Madhya Pradesh, Chhattisgarh, Maharashtra, Goa) will be benefitted from the power generated from Subansiri Lower H.E. Project.

### 5.3 TEESTA-VI H.E. PROJECT- 500 MW (4x125 MW), SIKKIM

Teesta-VI H.E. Project is being developed by Lanco Teesta Hydro Power Limited (LTHPL). LTHPL was taken over by NHPC through CIRP Process on October 09, 2019. Teesta-VI HE Project is a run-of-river scheme in Sirwani Village of Sikkim to utilize the power potential of Teesta River Basin in a cascade manner. Major components of the project include 26.5m high barrage and underground Power house having 4 units of 125 MW each. The project is having an estimated annual energy generation of 2400 MUs in a 90% dependable year.

Civil works package (Lot-I), Hydro mechanical works package (Lot-III) and six out of eight E&M works packages have been awarded. Tendering of other works are in the process. Excavation of various faces of HRT, drilling in head regulator area, concrete cutting, silt removal from head regulator & desilting basin, filling of upstream coffer dyke is in progress. Design & Engineering are in process for HM and E&M packages. The project is scheduled to be completed by March, 2024.

### 5.4 RANGIT-IV H.E. PROJECT- 120 MW (3x40 MW), SIKKIM

Rangit-IV HE Project is being developed by Jalpower Corporation Limited (JPCL). JPCL was taken over by NHPC through CIRP process on March 31, 2021. The project is located on Rangit River near Rishi village, West Sikkim.

Major components of the project include 44 m high concrete gravity dam, 6488 m long HRT of 6.40 m diameter and a surface Power House having 3 units of 40 MW each. The project is having estimated annual energy generation of 513 MUs in a 90% dependable year.

Civil and E&M work packages of the Project are under tendering stage. HM works package has been awarded.

### 5.5 RATLE H.E. PROJECT- 850 MW (4x205 MW+ 1x30 MW), UNION TERRITORY OF J&K

The project is being developed by Ratle Hydroelectric Power Corporation Limited, a Joint Venture Company of NHPC Limited and JKSPDCL. The Promoters agreement between NHPC and JKSPDCL was signed on April 13, 2021 and JV Company was incorporated on June 01, 2021. Ratle HE Project (850 MW), is a run-of-river scheme on Chenab River and is located at Kishtwar District of UT of Jammu & Kashmir.

Major components of the project include 133m high concrete gravity dam and an underground power house having 4 units of 205 MW each. In addition, a unit of 30 MW is envisaged to utilize the stipulated continuous release of environmental flows. The project is having estimated annual energy generation of 3,137 MUs in a 90% dependable year. EPC contract for the project is likely to be awarded by December, 2021.

### 5.6 PAKAL DUL H.E. PROJECT - 1,000 MW (4x250 MW), UNION TERRITORY OF J&K

The project is being executed by CVPPPL, a Joint Venture Company of NHPC Limited and JKSPDCL. Pakal Dul HE Project is being developed on Marusudar River, a tributary of Chenab in Kishtwar District, UT of Jammu & Kashmir. The project has been planned as a storage scheme and shall utilise the permissible storage under Indus Water Treaty with storage of 0.1 MAF. The scheme envisages construction of a 167 m high Concrete–Face Rockfill Dam (highest in India) to store and carry water through two HRT of 9.6 Km length each to an underground power house, thereby utilizing a net rated head of 397.30 m to generate 3,330 MUs energy annually through 4 units of 250 MW each. All contract packages have been awarded. Power House works, Dam works and HRT-DBM works are in progress. Detailed Engineering of HM and E&M component is in progress. River diversion is likely to be completed by October, 2021.

### 5.7 KIRU H.E. PROJECT- 624 MW (4x156 MW), UT OF J&K

The project is being executed by CVPPPL, a Joint Venture Company of NHPC Limited and JKSPDCL. The project is being developed as a run-of-river scheme on Chenab River and is located at Village Kiru / Pathrnakki in Kishtwar District of UT of Jammu & Kashmir. Major components of project includes 135 m high concrete gravity dam, 4 nos. (5.5 m dia) pressure shafts/ penstocks and an underground Power House having 4 units of 156 MW each. The project is having estimated annual energy generation of 2,272 MUs in a 90% dependable year. All contracts packages have been awarded. Civil works have been started and are in progress. Detailed engineering of HM and E&M component is in progress. Breakthrough of DT heading excavation was achieved on March 01, 2021. River diversion is likely to be completed by October, 2021.

## 6 PROJECTS UNDER CLEARANCE/ APPROVAL

The status of projects including of subsidiaries/ joint ventures under various stages of clearance/ approval are given in **Table 3**.

**Table 3: Projects under clearance/ approval stage:**

| S. No. | PROJECT | STATE/ UNION TERRITORY | INSTALLED CAPACITY (MW) |
|---|---|---|---|
| **A. STANDALONE BASIS** | | | |
| **(a) HYDRO PROJECTS** | | | |
| i | Goriganga-IIIA | Uttarakhand | 150 |
| ii | Kotli Bhel-IA[1] | | 195 |
| iii | Teesta-IV | Sikkim | 520 |
| iv | Dibang | Arunachal Pradesh | 2,880 |
| v | Tawang-I[2] | | 600 |
| vi | Tawang-II[3] | | 800 |
| vii | Bursar | Jammu & Kashmir | 800 |
| viii | Sawalkot | | 1,856 |
| ix | Dugar | Himachal Pradesh | 500 |
| x | Dagmara | Bihar | 130.1 |
| | **Sub-total (a)** | | **8,431.1** |
| **(b) SOLAR PROJECT** | | | |
| i | Floating Solar Project | West Kallada, Kerala | 50 |
| | **Sub-total (b)** | | **50** |
| | **Total A (a+b)** | | **8,481.1** |
| **B. THROUGH SUBSIDIARIES/ JOINT VENTURES** | | | |
| **HYDRO PROJECTS (In India)** | | | |
| i | Loktak Downstream H.E. Project through Loktak Downstream Hydroelectric Corporation Limited (A Joint Venture with Govt. of Manipur) | Manipur | 66 |
| ii | Kwar through Chenab Valley Power Projects Private Limited (A Joint Venture with JKSPDCL) | Jammu & Kashmir | 540 |
| iii | Kirthai-II through Chenab Valley Power Projects Private Limited (A Joint Venture with JKSPDCL) | | 930 |

| HYDRO PROJECT (In Bhutan) | | | |
|---|---|---|---|
| iv | Chamkharchu-I[4] (A Joint Venture with Druk Green Power Corporation, Bhutan-yet to be incorporated) | - | 770 |
| **Total (B)** | | | **2,306** |
| **Grand Total (A+B)** | | | **10,787.1** |

[1] Public Investment Board (PIB) approval for the project (given on October 23, 2013) is subject to clearance by the Hon'ble Supreme Court. Construction activities of the project shall start after clearance from Hon'ble Supreme Court and Government Sanction. NHPC is proposing not to pursue the project.

[2] The project has been put on hold due to local protest.

[3] All statutory clearances viz. TEC, Forest Clearance (Stage-I), Environment Clearance and Defence Clearance of the project have been obtained. However, Forest Clearance (Stage-II) is pending for want of compliance under Forest Rights Act, 2006.

[4] Druk Green Power Corporation had conveyed their inability to provide consent for the project. NHPC is proposing not to pursue the project.

## 7 Projects under Survey and Investigation (S&I)

NHPC is presently engaged in survey and investigation of projects with aggregate installed capacity of 1,130 MW. The status of projects under survey and investigation are given in **Table 4**.

**Table 4: Projects under S&I stage:**

| Sl. No. | Project | State/UT | Installed Capacity (MW) |
|---|---|---|---|
| 1 | Garba Tawaghat | Uttarakhand | 630 |
| 2 | Uri-I Stage-II | Jammu & Kashmir | 240 |
| 3 | Dulhasti Stage-II | | 260 |
| **Total** | | | **1,130** |

## 8 RENEWABLE ENERGY PROJECTS

Your company has embarked into Renewable Energy (RE) projects development in a big way and intends to be part of the Renewable Energy growth story of India by contributing to the 450 GW target set by the Government of India by 2030. World over, various new and advanced technologies are being explored in the transition to a net-zero carbon future and your company is aggressively looking forward in this direction. Your company, in line with the latest technological developments and advancements, is now exploring road maps and strategies to scale up projects in the field of Floating Solar and Pumped Storage Projects.

To meet the variability in supply due to large influx of Renewable Energy, the requirement is being felt for Hydropower & Pumped Storage Projects (PSPs), which are also termed as natural battery storages. PSPs provide affordable means of storing and deploying electricity and currently huge impetus is being given to develop the identified schemes of PSPs in India. Your company is looking ahead for developing techno-commercially viable PSPs for providing energy storage solutions to RE development. Innovative ways to bundle Renewable Energy projects with conventional projects like hydropower and PSPs are also being explored to ensure round the clock supply of electricity to the grid. Flexible power supply options are being worked out to keep in tandem with the competition of supplying power at the most optimal tariff.

Your company has identified mega scale solar projects which are under various stages of planning and development especially in Kerala and Odisha. Floating Solar offers an innovative way of generating electricity thereby saving huge costs on land development and lease. Your Company is actively working for increasing its Renewable Energy portfolio by making efforts for capacity addition through different sources of renewable energy viz. wind, solar projects. The efforts of the company for establishment of such projects are as under:

### 8.1 SOLAR POWER PROJECTS

#### 8.1.1 Projects envisaged under Ultra Mega Renewable Energy Power Parks (UMREPPs) Scheme of MNRE

Your company is exploring possibilities for development of UMREPPs in various States such as Odisha, Kerala, Rajasthan, Uttar Pradesh etc. The status of development of UMREPPs projects are as under:

**(i) 500 MW Floating Solar Project in Odisha**

Your company has signed a Memorandum of Understanding (MoU) with Green Energy Development

Corporation of Odisha Limited (GEDCOL) in July, 2020 for setting up of a Joint Venture Company (JVC) for exploring and developing 500 MW Floating Solar and other such power projects in the State of Odisha. The projects will be developed in a phased manner by the JVC. Approval process for formation of JVC is under progress. MNRE has already given in-principle approval for development of 100 MW Floating Solar Power Project under UMREPPs mode of Solar Park Scheme through the proposed JVC. Detailed Project Report (DPR) of the project is under finalization.

**(ii) 600 MW Solar Project (including Solar Park development) in Rajasthan:**

Your Company has identified a land parcel of about 2,800 Acre to be taken on lease basis in Jaisalmer District, Rajasthan through invitation of Expression of Interest (EOI) on open tender basis. The identified land is suitable for development of 600 MW Solar Power Project. Power evacuation arrangement through nearest ISTS Sub-station is being firmed up through Central Transmission Utility (CTU). Further actions for development of solar park and installation of Solar Plant on the identified land are under process.

**(iii) 50 MW Floating Solar Project in Kerala**

MNRE has accorded in-principal approval for development of 50 MW Floating Solar Power Project at West Kallada, Kerala by NHPC under UMREPPs mode of Solar Park Scheme. DPR of the project has been submitted to MNRE. Transfer of water body/ land to NHPC is under process. Tendering for EPC contract is also in process.

**(iv) Explorations at other locations**

Development of UMREPP in other States such as Uttar Pradesh, Bihar, Jharkhand etc. are also being explored.

**8.1.2 UTILITY SOLAR POWER PROJECTS**

**(i) 140 MW NHPC Solar Park in Odisha**

MNRE has conveyed its in-principle approval to NHPC for enhancement of Solar Park capacity (from 100 MW to 140 MW) in Odisha, which envisages development of 40 MW Project in Ganjam District and 100 MW Project in Deogarh District. Approval of State Technical Committee for both projects has been obtained and necessary lands for development of these projects have been identified. 175 Acre of identified land has been allocated to NHPC by The Odisha Industrial Infrastructure Development Corporation (IDCO). EPC contract for 40 MW project along with 10 years comprehensive O&M has been issued to M/s Tata Power Solar System Limited, Mumbai on May 24, 2021 with scheduled commissioning period of 12 months. Land identified for 100 MW Project at Deogarh District has been earmarked by IDCO. Transfer of land, signing of PPA and other activities for the development of projects are in progress.

**(ii) Other utility scale solar projects**

Company is exploring the possibilities of other utility scale solar projects in different States such as Telangana, Tamil Nadu, Andhra Pradesh etc.

**(iii) Development of Solar Projects in Developer Mode (As an Intermediary Procurer):**

NHPC has awarded an aggregate capacity of 2,000 MW ISTS connected Solar Power projects to the selected five developers as an 'Intermediary Procurer'. Power Sale Agreements (PSAs) with State Discoms and Power Purchase Agreements (PPAs) with selected developers have been signed for 25 years project life period. The developmental activities are in progress by the selected developers. The awarded projects are scheduled to be commissioned from February, 2022 to April, 2022.

**(iv) Development of Solar Project through Bundelkhand Saur Urja Limited (BSUL):**

Bundelkhand Saur Urja Limited (a Joint Venture Company with Uttar Pradesh New & Renewable Energy Development Agency) is implementing Kalpi Solar Power Project (65 MW). EPC contract for the project has been awarded on March 17, 2021 along with comprehensive O&M for 10 years with scheduled commissioning period of 12 months.

**8.2 WIND POWER PROJECTS**

**Kerala Wind Power Project (72 MW)**

As consented by Kerala State Electricity Board (KSEB), NHPC is in the process of exploring possibility of development of 72 MW Wind Power Project in Agali Village in Palakkad District of Kerala. The identification of land and power evacuation arrangement is in process. Further activities for development of the project shall be initiated after assessment of wind resource subsequent to submission of report by National Institute of Wind Energy (NIWE).

## 9 POWER TRADING LICENSE AND POWER TRADING BUSINESS

Your Company, as part of business expansion and diversification programme, has ventured into Power Trading business. Endeavour of Power Trading business of the Company is to provide efficient and smart business solution to its clients viz. Buyers/ DISCOMs, Generators/ Sellers, Utilities etc. NHPC has already obtained Category-I license from CERC for inter-state trading of electricity in whole of India and is registered at DEEP (Discovery of Efficient Electricity Price) e-bidding portal. NHPC has also obtained trader membership in Indian Energy Exchange (IEX) and Power Exchange of India Limited (PXIL).

After issue of Category-I Trading License in April, 2018, NHPC in short span of time has established itself as reputed and reliable trader in India. Energy of around 505.2 MUs with turnover of ₹ 218.60 crore has been traded during financial year 2020-21.

NHPC has successfully signed Power Sale Agreements (PSAs) for 2,000 MW with different parties to sell power during the financial year 2020-21. NHPC has also signed Power Purchase Agreement (PPAs) on back-to-back basis with Solar Power Developers (SPD) for purchase of power for 2,000 MW.

## 10. DETAILS OF SUBSIDIARIES AND ASSOCIATE/ JOINT VENTURE COMPANIES

Your company has following subsidiaries and associate/ joint venture companies as on March 31, 2021:

| Name of the company | Details of joint venture partners (equity participation) | Performance of the company during FY 2020-21 |
|---|---|---|
| **SUBSIDIARY COMPANIES** | | |
| NHDC Limited<br>(NHDC) | NHPC (51.08%) and Government of Madhya Pradesh (48.92%). Government of Madhya Pradesh (GoMP) share includes 23% held by Narmada Basin Projects Company Limited, Wholly Owned Company of GoMP. | NHDC has two operating power stations viz. Indira Sagar (1,000 MW) and Omkareshwar (520 MW) in Madhya Pradesh. During the year 2020-21, NHDC generated 4,236.12 MUs from its power stations i.e. 2,793.56 MUs from Indira Sagar Power Station and 1,442.56 MUs from Omkareshwar Power Station. |
| Loktak Downstream Hydroelectric Corporation Limited (LDHCL) | NHPC (74.92%) and Government of Manipur (25.08%) | LDHCL is currently implementing Loktak Downstream Hydroelectric Project (66 MW) in Noney District of Manipur.<br>All statutory clearances for the project have been received and PPA has been signed with Govt. of Manipur. Tendering process for the EPC packages is under progress. Public Investment Board (PIB) clearance of the project is awaited. |
| Bundelkhand Saur Urja Limited (BSUL) | NHPC (74%) and UPNEDA (26% ) | BSUL was incorporated for the development of 50 MW Solar Power Project in Tehsil Kalpi, District Jalaun, Uttar Pradesh and other conventional & non-conventional power projects entrusted by the Govt. of Uttar Pradesh. Status of construction of Kalpi SPP (65 MW) has been provided under paragraph 8 of the report.<br>BSUL is in the process of development of more than 1,500 MW Solar Power Projects in the State of Uttar Pradesh through various modes of implementation. Development of Solar Project in EPC Mode and development of Solar Park followed by plant installation in Developer Mode. Detailed Project Reports (DPRs) of two projects viz. Mirzapur SPP (100 MW) and Madhogarh SPP (45 MW) have been approved. |

| | | |
|---|---|---|
| | | Notice Inviting Tender (NIT) for EPC work of Mirzapur SPP has been floated in March, 2021. Land survey for Pratapgarh SPP (100 MW) has been completed. Project Report for 1,200 MW Solar Park under UMREPP has been submitted to SECI. |
| Lanco Teesta Hydro Power Limited (LTHPL) | Wholly Owned Subsidiary | LTHPL was acquired by NHPC through CIRP process in October, 2019 and equity of ₹ 897.50 crore was infused as consideration amount pursuant to approved resolution plan. LTHPL is executing 500 MW Teesta VI HE Project in Sikkim. Status of construction of Teesta VI HE Project has been provided under paragraph 5 of the report. |
| Jalpower Corporation Limited (JPCL) | Wholly Owned Subsidiary | JPCL was acquired by NHPC through CIRP process on March 31, 2021 and equity of ₹ 165 crore was infused as consideration amount pursuant to approved resolution plan. JPCL is executing Rangit IV HEP (120 MW) in Sikkim. Government of India (GoI) approval for investment was conveyed on March 30, 2021 for acquisition and execution of balance works of Rangit-IV HE Project with estimated cost of ₹ 938.29 Crore at October, 2019 price level. The balance works of the project will be completed in a period of 38 months from the date of issuance of sanction by GoI. Status of construction of Rangit IV HE Project has been provided under paragraph 5 of the report. |
| Chenab Valley Power Projects Private Limited<br>(CVPPPL) | NHPC (51.9%), Jammu & Kashmir State Power Development Corporation Limited (47.9%) and PTC India Limited (0.2%) | CVPPPL is developing four hydroelectric projects in UT of Jammu & Kashmir i.e. Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW), Kwar HE Project (540 MW) and Kirthai II HE Project (930 MW). Status of construction of Pakal Dul HE Project and Kiru HE Project has been provided under paragraph 5 of the report. Investment sanction for Kwar HEP is awaited whereas Kirthai II HE Project is under clearance stage. |
| **ASSOCIATE/ JOINT VENTURE COMPANY** | | |
| National High Power Test Laboratory Private Limited (NHPTL) | NHPC Limited, NTPC Limited, Power Grid Corporation of India Limited, Damodar Valley Corporation and Central Power Research Institute (each having shareholding of 20%) | NHPTL was established to set up an online high power test laboratory for short-circuit test facility in the country.<br>The laboratory for High Voltage Transformer (HVTR) at 400 kV level and 765 kV level is already operational at Bina, Madhya Pradesh.<br>Laboratory for Medium Voltage Transformer (MVTR) has not been commissioned till date. |

During the financial year 2020-21, Jalpower Corporation Limited has become wholly owned subsidiary company of NHPC Limited. Further, Chenab Valley Power Projects Private Limited (CVPPPL) has become subsidiary company of NHPC Limited as on March 31, 2021, pursuant to provisions of the Companies Act, 2013 as required matching contribution not made by other Joint Venture Partners.

A statement containing the salient features of the financial statements of subsidiaries and associate/ joint venture companies as per first proviso to Section 129(3) of the Companies Act, 2013 including details of individual contribution of these companies in the overall performance of the Company during the year is given under Consolidated Financial Statements.

The audited financial statements of subsidiary companies are not being attached to the audited annual financial statements of the Company. In terms of Section 136 of the Companies Act, 2013, any shareholder who desires to have information on aforesaid financial statements may visit website of the Company i.e. www.nhpcindia.com.

## 11. HEALTH, SAFETY & ENVIRONMENT (HSE)

Your company is committed to conduct its business with a strong environment conscience, ensuring sustainable development, safe workplaces and enrichment of quality of life of its employees, customers and the community. It is well aware of its obligation to conserve and protect environment. During the investigation stage, probable impact on environment while executing the projects, are assessed and identified. Environmental Management Plans (EMPs) are proposed and implemented to compensate the adverse impacts of the project by taking necessary measures. In addition to above, construction of buildings is designed to make them environment friendly.

Most of the power stations of your company are ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and OHSAS-18001:2007/ ISO 45001:2018 (Occupational Health and Safety Management System) certified, thus ensuring sustainable development and enrichment of quality of life of its employees. Compliance to safety systems & procedures and environmental laws is regularly monitored.

## 12. CONSULTANCY SERVICES

Your Company takes up consultancy assignments mainly to increase its outreach and footprint across the country and in its neighboring countries. The main aim is to share its best practices with fellow organizations and other stakeholders in the hydro power sector in construction of hydro-electric projects in the geologically fragile Himalayan Region. The best O&M practices, which have allowed NHPC to achieve best plant availability, increased efficiency and increased plant/ equipment life across its various power stations are also shared through consultancy. NHPC has been recently entrusted the prestigious consultancy assignment of preparation of DPR for diversion of Seri Nallah away from Atal Tunnel at Rohtang.

During the financial year 2020-21, payments of ₹ 45.55 Crore have been received by NHPC for consultancy services rendered to its different clients

## 13. FINANCING OF NEW PROJECTS

Internal accruals of the Company are sufficient to finance the equity component for the new/ upcoming projects. NHPC is well positioned to raise the borrowings as per CERC norms given its low geared capital structure and strong credit ratings. NHPC is exploring domestic as well as international borrowing options including overseas development assistance provided by multilateral/ bilateral agencies to mobilize the debt required for the planned capacity addition programmes. During the year 2020-21, your Company has raised ₹ 2,315.31 crore through various options of borrowing from domestic sources i.e. ₹ 2,250 crore through Corporate Bonds on private placement basis and ₹ 65.31 crore through Sub-ordinate debts from Government of India.

## 14. CREDIT RATING

- **Domestic Rating**

NHPC has highest domestic credit rating of 'AAA' with stable outlook assigned by domestic credit rating agencies i.e. ICRA, CARE and India Ratings for its listed bonds which indicates lower credit risk for the investors.

- **International Rating**

S&P Global Rating has revised its outlook on NHPC to 'negative' from 'stable' in October, 2020 and maintained 'BBB-' long term issuer credit rating on the Company.

## 15. INFORMATION TECHNOLOGY AND COMMUNICATION

Your Company considers information technology as a strategic tool for the attainment of sustainable growth in business and to improve overall productivity and efficiency. Various locations of the Company including remotely located Power Stations / Projects are connected to Corporate Office / Regional offices through multimode communication links using MPLS-VPN / ILL / VSAT-Ku band / ISAT Phones. These multimode links have been integrated through SDWAN (Software Defined Wide Area Network) technology to function in a fail-safe mode.

Your company has implemented Enterprise Resource Planning (ERP) application across all its locations integrating its various business processes. The company is in the process of upgrading ERP to further strengthen business processes and incorporate business intelligence. Apart from ERP, your company has implemented a host of other software applications / Mobile apps to take care of day-to-day business requirements. NHPC's bilingual website and integrated intranet are functioning as powerful information dissemination systems to take care of external / internal information requirements. As per Government of India directives, e-procurement, Government e-Market (GeM), vendor payment portal and e-Reverse auction system are operational in the Company.

During the year 2020-21, office functioning remained uninterrupted amid COVID-19 lockdowns through the efficient functioning of various software applications / tools i.e. e-office, e-IOM, ERP/ESS, video conferencing, e-mails etc.

Critical IT Infrastructure including servers, data storage, communication equipment etc. have been installed at safe locations and are being managed through internal resources. IT & Cyber Security policy is in place to ensure optimum and secure utilization of the assets owned by the company. Your Company has been certified with ISMS 27001:2013 certification in Corporate Office which assures confidentiality, integrity and availability of information assets. VAPT Audit is also being carried out at all generating power stations to secure valuable information and vital infrastructure. A centralised End Point Security Software solution has also been implemented to protect Servers / Desktops against Cyber threats.

Your Company has been nominated as nodal agency for Sectorial CERT i.e. CERT-Hydro to guide and monitor the Cyber security related activities in the constituent member organizations.

## 16. HUMAN RESOURCES

Your company has a strong and dedicated workforce of 5,569 employees, consisting of 3,281 executives and 2,288 non-executives as on March 31, 2021. The above workforce includes 590 women employees.

Your Company is strongly focused towards lifelong learning and competency development of its employees for their overall capacity building by improving their performance and enhancing organizational capabilities. Training programmes to employees are facilitated through internal faculty as well as through external agencies. NHPC has four regional hydro training centers located at Salal Power Station, Tanakpur Power Station, Chamera-I Power Station and Uri-I Power Station. NHPC has organized various training and development programmes for its employees through premier management and engineering institutions like IIMs, IITs etc. to enhance their skills and competencies and to encourage them to utilize their full potential in their respective field of operations. Your Company also deputes senior and high potential employees to foreign training programmes to keep them abreast with the latest know how and to understand the global scenario in the field of hydro power. NHPC also sponsors its executives to acquire higher qualification and specialization to improve their productivity and effectiveness. During COVID-19 pandemic, your company has organized virtual workshops to fulfill training requirements of its employees in addition to knowledge sharing sessions through webinars.

Industrial relations in the Company remained cordial and harmonious during the year. Employees actively contributed in the growth of the Company.

Your company follows the Government of India's guidelines regarding reservation in services for SC/ ST/ OBC/ PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth. Necessary concessions/ relaxations in accordance with the rules are extended to physically challenged persons in recruitment. Details of representation of SC/ ST/ OBC/ PWD are given in Management Discussion & Analysis Report annexed with this report.

## 17. RESETTLEMENT AND REHABILITATION (R&R)

Your company appreciates the difficulties of populace displaced during the execution of its projects. Resettlement and Rehabilitation plans are formulated for Project Affected Families (PAFs) to provide economic sustenance under the provisions of 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013'. NHPC has formulated a policy for reservation of certain type of works through competitive bidding for PAFs and locals residing near its projects/power stations.

## 18. VIGILANCE

The Company believes in conducting its affairs in a fair and transparent manner by adopting highest level of integrity and ethical behavior. Your Company has a Vigilance Department headed by Chief Vigilance Officer to ensure transparency, objectivity and quality of decision making in its operations. All the procedures are documented to monitor and handle vigilance complaints and disciplinary cases.

Vigilance Department co-ordinates with Ministry of Power, Central Bureau of Investigation (CBI), Central Vigilance Commission (CVC) and other concerned departments of the Government. As on March 31, 2021, two vigilance cases relating to misconduct and disproportionate assets against employees were under disciplinary proceedings.

As a part of preventive vigilance, circulars and guidelines are being issued regularly based on various inspections / intensive examinations carried out from time to time. Vigilance awareness week and other vigilance awareness programmes are also being organized by the Company to promote transparency and ethics in working system.

## 19. INTERNAL FINANCIAL CONTROLS

Adequate internal financial controls with reference to financial reporting are in place in the Company. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## 20. RISK MANAGEMENT

Your Company recognizes that effective management of risks associated with the business is a fundamental requirement to its continued profitability and long-term sustainability. Your Company has an elaborate Risk Management policy to have structured and disciplined approach towards risks. The development and implementation of Risk Management policy has been covered in the Management Discussion and Analysis Report, which forms part of this report.

## 21. PROCUREMENT FROM MICRO & SMALL ENTERPRISES

Government of India has notified Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 to support marketing of products produced and services rendered by MSEs. In compliance to the policy, annual procurement plan including items to be procured from MSEs are uploaded on NHPC's website (www.nhpcindia.com) for the benefit of MSEs.

The benefits to MSEs like exemption from tender fees and earnest money deposit, purchase preference, interest on delayed payments and exemption from prior experience–prior turnover criteria subject to meeting of quality and technical specifications, are also extended to encourage these enterprises.

During the financial year 2020-21, your Company has procured products and services from MSEs, which has constituted 61.78% of the total annual procurement value, against the mandate of 25% set by Ministry of Micro, Small and Medium Enterprises, Govt. of India. During the year, 1981 MSEs were benefited out of which 48 MSEs and 118 MSEs were owned by SC/ST and Women entrepreneurs respectively.

Trade Receivables Discounting System (TReDS) platform facilitates the discounting of invoices of MSMEs facilitating generation of working capital for their regular business operations. NHPC is also registered on the platform for the benefit of MSMEs.

## 22. IMPLEMENTATION OF OFFICIAL LANGUAGE

Your company is committed for the implementation of Official Language 'Hindi' at its various locations in day-to-day functioning in line with the provisions of the Official Languages Act, 1963 and rules notified thereunder. During the year 2020-21, quarterly meetings of the Official Language Implementation Committee were regularly organized through video conferencing to review the progressive use of Official Language across the Company.

During the year, NHPC organized various programmes like Hindi Pakhwara, Hindi Competitions, Akhil Bhartiya Rajbhasha Sammelan, Hindi Kavi Sammelan, monthly departmental meetings etc. to encourage the use of Official Language. Attractive incentive schemes for employees by contributing for articles/ write-ups for in-house magazines, reading Hindi books, noting & drafting in Hindi etc. have been implemented for progressive use of Official Language.

## 23. SPORTS AND OTHER ACTIVITIES

During the year 2020-21, NHPC participated in seven Inter CPSU tournaments organized under the aegis of Power Sports Control Board, Ministry of Power. The tournaments started in February, 2021 owing to COVID-19 pandemic. NHPC teams achieved podium positions in Inter CPSU Badminton, Carrom and Bridge Tournaments.

NHPC announced 2nd batch Sports Scholarships under its 'Sports Scholarship scheme for upcoming sportspersons' on July 29, 2020 amounting to ₹ 52.64 lakh to ten promising talented sportspersons covering sporting disciplines of Kabaddi, Football, Boxing, Wrestling and Para sports for the next three years.

Your company also organized Power Cup 2021, a T-20 cricket tournament wherein Ministry of Power and Power PSUs based in Delhi NCR under the aegis of Ministry of Power participated. The tournament was organized in Feb-March, 2021. Your company has organized Vasant Utsav 2021 with great fervour and enthusiasm at NHPC Residential Complex, Faridabad on February 13, 2021. Stalls promoting local handicrafts, dress materials, food delicacies etc. from various states/ union territories such as J&K, Himachal Pradesh, Sikkim, West Bengal, Manipur, Uttarakhand, Assam etc. were set up. NHPC has also released NHPC anthem (composed & sung by renowned playback singer Padma Shri awardee Shri Kailash Kher) to inspire & motivate NHPCians as well as to instill a sense of pride and belongingness amongst them.

During the year, your Company also participated in various virtual national exhibitions to showcase its activities.

## 24 AWARDS & RECOGNITIONS

Your company has been proud recipient of following awards for excellence in different areas during the financial year 2020-21:-

- Ministry of Home Affairs, Government of India has awarded NHPC with three national level awards under various categories of Rajbhasha Kirti Puraskar Yojana for the year 2019-20. These awards have been presented for excellence in implementing and promoting Official Language.
- NHPC was awarded 'Silver Shield' at the prestigious ICAI Awards for Excellence in Financial Reporting for 2019-20. NHPC has received this award under the category of Public Sector Entities for its Annual Report and Financial Statement for the year ended March 31, 2020.
- Govt. of Haryana recognized the CSR initiatives and the best practices in CSR by NHPC during the COVID 19 pandemic and honoured NHPC with CSR award on January 26, 2021.
- NHPC has been awarded 'Best Performing PSE' for Excellence in Hydropower and Renewable Sector at the PRAKASHmay 13th ENERTIA Awards 2020 on December 23, 2020. The award has been instituted by REPA (Renewable Energy Promotion Association) and ENERTIA foundation.

## 25 RIGHT TO INFORMATION ACT

An elaborate mechanism is in place to deal with the matters related to Right to Information Act, 2005. The Company has nominated a senior level executive as the Appellate Authority. The Company has nominated one Central Public Information Officer (CPIO) and one Transparency Officer. These officers are based at Corporate Office. In addition to above, 33 Assistant Public Information Officers (APIOs) are nominated at different units/ offices. The details of all the designated officials, third party audit reports, etc. are available on the website of the Company i.e. www.nhpcindia.com. The online RTI portal of the Company is aligned with the portal launched by Department of Personnel & Training (DoPT). All applications/ appeals received through the portal are attended and disposed-off accordingly.

During the year 2020-21, 465 applications and 50 first stage appeals were received out of which 458 (98.50%) applications and 50 (100%) first stage appeals were replied/ disposed-off. 2 second stage appeals were filed by the applicants before the Central Information Commissioner (CIC) which were also disposed-off in favour of NHPC.

## 26 CORPORATE SOCIAL RESPONSIBILITY

Your company has been actively engaged in various CSR activities over the years with the aim to create a deeper positive impact on the society at large by addressing the social, economic, environmental and welfare concerns of the stakeholders. The CSR initiatives of the Company includes programmes on promoting Education & Skill Development, Healthcare & Sanitation, Rural development, Women Empowerment, Sports, promoting and conserving Art & Culture etc. in accordance with Schedule VII of the Companies Act, 2013. While selecting the CSR & Sustainability schemes, it is ensured that maximum benefits reach to the poor/ backward and needy sections of the society.

Your Company is supporting the local Government in setting up of engineering colleges and ITIs in different parts of the country. NHPC has contributed ₹ 15 Crore from its CSR funds to 'PM CARES Fund' to support the Country in fight against COVID 19 pandemic. Your Company has provided assistance to the local administration in fighting the COVID-19 pandemic by upgrading medical infrastructure near Company's locations, procuring Cold Chain equipment, creating quarantine centres in Company's dispensaries, distributing essential food items, medicines, hygiene kits, providing Oxygen concentrators, assisting in sanitation drives etc.

Your Company is also open to join hands with other CPSEs in planning, implementation and monitoring of mega-projects for optimal use of resources, synergy of expertise and for maximizing socio-economic or environmental impact with regard to CSR activities undertaken. A report on CSR activities undertaken by your company during the financial year 2020-21 is given as separate annexure to this report.

## 27. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Your company has not entered into any material transaction with any of its related parties during the financial year 2020-21. Company's major related party transactions are generally with its subsidiary and associate companies for providing consultancy services, leasing out of properties and manpower services. All the contracts/ arrangements / transactions entered into with related parties were on arm's length basis, intended to further the company's interest. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

Attention of the members is also drawn to para no. 8 of note no. 34 of the standalone financial statements, which sets out related party disclosures as per Ind AS-24.

## 28. VIGIL MECHANISM - POLICY ON WHISTLE BLOWER AND FRAUD PREVENTION

Your Company has framed a 'Whistle Blower Policy' wherein Directors, employees, contractors and vendors of the Company are free to report any unethical practice, violation of applicable laws, rules, regulations or Company's code of conduct, that could adversely impact Company's operations, business performance and/or reputation. The policy also allows direct access to the Chairperson of the Audit Committee. During the year, no person was denied access to the Audit Committee (during its existence) on issues relating to Whistle Blower Policy.

The identity of the whistle blower is kept confidential so that he/she shall not be subjected to any discriminatory practice. A senior level officer has been nominated as Coordinator for effective implementation of the policy and to deal with complaints reported under the policy. During the year 2020-21, no complaint was received under Whistle Blower Policy.

Your Company has also framed a Fraud Prevention & Detection Policy to prevent, detect and allow speedy disposal of fraud or suspected fraud. Mechanism under the policy is appropriately communicated within the organization across all levels and has been displayed on company's intranet.

## 29. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your company believes that diversity at workplace creates an environment conducive to engagement, alignment, innovation and high performance. Every employee in the company is treated with dignity, respect and afforded equal treatment.

A policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 is in place. 'Internal Complaints Committees' have been constituted at various locations of the company for the redressal of complaints against sexual harassment of women at workplace. The committee at Corporate Office, Faridabad is headed by a senior woman officer and includes representative from an NGO, as one of its members. Your company has also prohibited sexual harassment of women by incorporating it as misconduct under "NHPC Conduct, Discipline and Appeal Rules".

Disclosure in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year 2020-21 is as under:

| | | |
|---|---|---|
| A | Number of complaints pending at the beginning of the financial year | NIL |
| B | Number of complaints filed during the financial year | 1 |
| C | Number of complaints disposed off during the financial year | NIL |
| D | Number of complaints pending at the end of the financial year | 1* |

* complaint is under investigation by the Internal Complaints Committee.

## 30. DEBENTURE TRUSTEES

In compliance to the requirements of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI LODR), the details of Debenture Trustees appointed by the Company for different series of Bonds is provided at reference information of this Annual Report.

## 31. COVID-19

Your company has adopted a holistic approach to spread awareness among its employees, their dependent and other stakeholders to sensitize about safety measures during COVID-19 pandemic. A campaign on Public Health Response to COVID-19 : Campaign for COVID Appropriate Behavior was launched across all NHPC locations. Your company has taken all necessary measures for mitigating impact of challenges being faced due to COVID-19 pandemic by setting up of COVID care centers with oxygen support facilities at various NHPC locations, augmenting supply side logistics related to availability of Medical oxygen by funding for setting up of oxygen plants at various Govt. hospitals besides providing support for purchase of oxygen concentrators.

Your Company played a significant role in mitigating the effects of COVID-19 pandemic through various initiatives at its locations across the Country. Ministry of Power, Govt. of India has entrusted NHPC the responsibility to compile the daily reports of COVID-19 related activities taken up by various CPSUs under its administrative control. Short video clips and infographics, short presentations regarding COVID-19 were made to create awareness among people and keep them abreast about NHPC activities.

Vaccination is the most important armour in the battle against the COVID-19 pandemic. NHPC has organized multiple camps for vaccination of employees of various organizations and PSUs under Ministry of Power/ MNRE and their family members. In order to augment the vaccination drive against COVID-19, your company procured & handed over various Cold Chain Equipment such as Ice Line Refrigerator, Deep Freezer, Walk-in Cooler and Walk-in-Freezer for three states/ UTs namely Arunachal Pradesh, Himachal Pradesh & Jammu & Kashmir under its CSR initiative. NHPC procured total 281 Cold Chain Equipment amounting to ₹ 2.72 crore through GeM portal and handed it over to the respective State Government Authorities. Amidst all the challenges posed by the pandemic, your company has continued to serve the Nation by running its power stations efficiently.

## 32. STATUTORY AND OTHER INFORMATION

Information required to be furnished as per the Companies Act, 2013, SEBI LODR, Guidelines issued by Department of Public Enterprises (DPE) on Corporate Governance for CPSEs etc. is annexed to this report as follows:

| Particulars | Annexure |
|---|---|
| Report on Corporate Governance | I |
| Certificate from Practicing Company Secretary regarding compliance to conditions of Corporate Governance | II |
| Management Discussion and Analysis Report | III |
| Conservation of energy, technology absorption and foreign exchange earnings and outgo | IV |
| Business Responsibility Report | V |
| Annual Report on CSR Activities | VI |

## 33 DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application was made or any proceeding was pending against NHPC Limited under the Insolvency and Bankruptcy Code, 2016 during the financial year 2020-21. However, NHPC has taken over "Jalpower Corporation Limited" a debt ridden company implementing Rangit Stage-IV H.E. Project (120 MW) in the State of Sikkim through CIRP process on March 31, 2021 during the financial year 2020-21. CIRP process of JPCL was initiated on April 9, 2019 vide an order of Hon'ble NCLT, Hyderabad Bench.

Resolution Plan of NHPC for takeover of JPCL was approved by Hon'ble NCLT, Hyderabad Bench vide order dated December 24, 2020. Secured Financial Creditors comprising two lenders i.e. Power Finance Corporation Limited and Punjab National Bank were listed. The award cost of the project approved by Hon'ble NCLT was ₹ 165 Crore.

## 34. AUDIT AND AUDITORS' REPORT

### 34.1 SECRETARIAL AUDIT

The Board had appointed M/s Agarwal S. & Associates, Company Secretaries, Delhi to conduct Secretarial Audit of the company for the financial year 2020-21. The Secretarial Auditor, in its report, has given some observations. The Secretarial Auditor's Report along with management replies on the observations is given at **Annexure-VII**.

In compliance to Regulation 24A of SEBI LODR, Secretarial Audit Report of NHDC Limited, which is a material unlisted subsidiary company of NHPC Limited, is also given at **Annexure-VIII**.

### 34.2 STATUTORY AUDIT

The Statutory Auditors of your company are appointed by the C&AG. C&AG had appointed following Joint Statutory Auditors for the financial year 2020-21:

1. M/s Arora Vohra & Co, Jammu.
2. M/s K.G. Somani & Co., New Delhi
3. M/s Lodha & Co., Kolkata

The Joint Statutory Auditors have given un-modified report on the standalone and consolidated financial statements of the company for the financial year 2020-21. Further, no instance of fraud by any officer or employee of the company has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

The standalone financial statements of the Company along-with Statutory Auditors' Report thereon are given at **Annexure-IX**. The consolidated financial statements of the Company along-with the Statutory Auditors' Report thereon are given at **Annexure-X**.

### 34.3 REVIEW OF ACCOUNTS BY C&AG

The C&AG has given NIL comments on the standalone and consolidated financial statements of your Company for the year ended March 31, 2021 after conducting supplementary audit under Section 143(6)(a) of the Companies Act, 2013. The comments of C&AG for both the standalone and consolidated financial statements of your company for the year ended March 31, 2021 are given at **Annexure- XI**.

### 34.4 COST AUDIT

The Company maintains necessary cost records as specified by Central Government under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. As recommended by the Audit Committee, your Board has appointed the following firms of Cost Accountants to conduct audit of cost accounting records of power stations for the financial year 2020-21 under Section 148 of the Companies Act, 2013:

| Name of the Firm | Power Stations |
|---|---|
| M/s Dhananjay V. Joshi & Associates, Delhi (Lead Cost Auditor) | Chutak and Nimmo Bazgo |
| M/s ABK & Associates, Gurgaon | Chamera-I, Sewa-II and Parbati-III |
| M/s Narasimha Murthy & Co., Delhi | Uri-I, Uri-II and Kishanganga |
| M/s R. M. Bansal & Co., Delhi | Bairasiul, Chamera-II and Chamera-III |
| M/s K. G. Goyal & Co., Jaipur | Dulhasti, Salal and Wind Power Project, Jaisalmer |
| M/s AJS and Associates, Dehradun | Tanakpur and Dhauliganga |
| M/s Bandyopadhyaya Bhaumik & Co., Kolkata | Rangit, Teesta-V and Solar Power Project, Tamil Nadu |
| M/s Y. S. Thakar & Co., Asansol, West Bengal | Loktak, TLDP-III and TLDP-IV |

The consolidated Cost Audit Report in XBRL format for the financial year ended March 31, 2020 was filed with the Central Government on September 24, 2020. The Cost Audit Report for the financial year ended March 31, 2021 shall be filed within the prescribed time period.

## 35 ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2021 is available on the Company's website at http://www.nhpcindia.com/NHPC-annual-reports.htm

## 36. PARTICULARS OF LOANS, INVESTMENTS AND CORPORATE GUARANTEES

Section 186 of the Companies Act, 2013 (except sub-section 1) regarding loans made, guarantees given or securities provided is not applicable to NHPC being engaged in the business of providing infrastructure facilities.

## 37. PARTICULARS OF EMPLOYEES

In accordance to notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from the disclosure requirements of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

The policy on remuneration, pay structure, allowances and other benefits of employees of the company are governed by relevant DPE Guidelines. Pay structure and allowances of the company are also available on the website at http://www.nhpcindia.com/writereaddata/images/pdf/RTI%20Corner%20Wages%20UpdationENG_CAA_201905_1.pdf

## 38. BOARD AND COMMITTEES OF THE BOARD

The Board of Directors met eleven times during the financial year 2020-21. The details of the Board meetings and attendance therein are given in the Corporate Governance Report, which forms part of this report.

The mandatory Committees of the Board i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Committee on Corporate Social Responsibility & Sustainability were duly constituted till September 7, 2020 i.e. up to the tenure of remaining two Independent Directors on the Board of NHPC Limited. In view of non-appointment of Independent Directors by the Administrative Ministry i.e. Ministry of Power, the Board of Directors has reconstituted its mandatory Committees (except Nomination & Remuneration Committee) i.e. Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee and Committee on Corporate Social Responsibility & Sustainability with available Non-independent Directors to substantially comply with the requirements of the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance. The details of various committees of the Board, their meetings and composition are given in the Corporate Governance Report.

During the financial year 2020-21, there was no instance, where the Board has not accepted the recommendation(s) of any committee of the Board which is mandatorily required.

## 39. PERFORMANCE EVALUATION OF BOARD, BOARD LEVEL COMMITTEES AND DIRECTORS

Your Company has framed a policy on performance evaluation of Board, Board level Committees and Independent Directors in line with provisions of SEBI LODR. The annual performance evaluation of Board, Board level Committees and Independent Directors of the Company for the financial year 2019-20 has been carried out by the Board in its meeting held on February 11, 2021. The Independent Directors in their separate meeting held in June, 2019 decided not to carry out the performance evaluation of Functional Directors as their performance is being evaluated by the Administrative Ministry i.e. Ministry of Power. The process of annual performance evaluation of Board, Board level Committees and Independent Directors is given in the Corporate Governance Report.

## 40. DIRECTORS' RESPONSIBILITY STATEMENT

In line with requirement of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is confirmed that:

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

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

## 41. SECRETARIAL STANDARDS

Your company has followed applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' issued by Institute of Company Secretaries of India (ICSI).

## 42. GENERAL

No disclosure or reporting in respect of the following items is required, as there was no transaction on these items during the year under report:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Significant and material orders passed by regulators or courts or tribunals, which impact the

going concern status or company's operations in future.

4. Occurrence of any material changes and commitments after the close of the financial year till the date of this report, which affect the financial position of the Company.
5. Details related to public deposits as required under Chapter V of the Act.
6. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof.

## 43. WEBSITE LINK FOR VARIOUS POLICIES OF THE COMPANY

Website links for the information required to be hosted on the website of the Company i.e. www.nhpcindia.com as per the Companies Act, 2013, SEBI LODR etc. are as follows:

| Particulars | Website Link |
|---|---|
| Policy on Related Party Transactions | http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Related-Party-Transaction.pdf |
| Corporate Social Responsibility & Sustainability Policy | www.nhpcindia.com/csr-policy.htm |
| Policy on Material Subsidiaries | http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf |
| Whistle Blower Policy | http://www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf |
| Familiarization Programme for Directors | http://www.nhpcindia.com/writereaddata/Images/pdf/Details%20of%20Director%20Training_FY2019-20%20-%20English.pdf |
| Dividend Distribution Policy | http://www.nhpcindia.com/writereaddata/Images/pdf/Dividend-Policy-21062017.pdf |
| Annual Return | http://www.nhpcindia.com/NHPC-annual-reports.htm |

## 44. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The following changes in composition of Board of Directors and Key Managerial Personnel took place since the last annual report:

1. Shri Jugal Kishore Mohapatra and Shri Bhagwat Prasad ceased to be Independent Directors of the Company on completion of their tenure on September 7, 2020.
2. Shri Mahesh Kumar Mittal ceased to be Director (Finance) & Chief Financial Officer (CFO) of the Company on attaining the age of superannuation on September 30, 2020.
3. Shri Rajendra Prasad Goyal was appointed as Director (Finance) & Chief Financial Officer (CFO) of the company w.e.f. October 1, 2020.
4. Shri Ratish Kumar ceased to be Director (Projects) of the Company on attaining the age of superannuation on December 31, 2020.
5. Shri Biswajit Basu was appointed as Director (Projects) of the Company w.e.f. January 1, 2021.
6. Late (Shri) Vijay Gupta ceased to be Company Secretary of the Company on January 16, 2021 due to sad demise.
7. Shri Saurabh Chakravorty was appointed as Company Secretary of the Company w.e.f. February 11, 2021.

Details of remuneration and sitting fee paid to directors during the year 2020-21 are given in the Corporate Governance Report.

There was no Independent Director on the Board of NHPC Limited as on March 31, 2021 since completion of tenure of remaining two Independent Directors i.e. Shri Jugal Kishore Mohapatra and Shri Bhagwat Prasad on September 7, 2020. Accordingly, details relating to criteria of independence and other matters for Independent Directors have not been provided in the Directors' Report.

Shri Nikhil Kumar Jain, Director (Personnel) and Shri Yamuna Kumar Chaubey, Director (Technical) are liable to retire by rotation and being eligible are proposed to be re-appointed at the forthcoming Annual General Meeting. Brief profile of the Directors proposed to be appointed/ re-appointed at the forthcoming AGM is given in the notice of AGM.

## 45. ACKNOWLEDGEMENT

The Board of Directors would like to express heartfelt gratitude to the Government of India, particularly the Ministry of Power, as well as various State Governments, regulatory and statutory authorities for their valuable guidance and overwhelming support from time to time.

The Board is also thankful to all stakeholders, including bankers, investors, shareholders, customers, consultants, contractors, vendors, etc. for their never-ending trust, continued support and confidence reposed in the Company.

The Board sincerely acknowledges the invaluable suggestions received from the Office of C&AG, Statutory Auditors, Secretarial Auditor and Cost Auditors.

The Board would like to place on record its appreciation for the expertise, enthusiasm, directions and significant contribution made by Shri Ratish Kumar, Shri Mahesh Kumar Mittal, Shri Jugal Kishore Mohapatra and Shri Bhagwat Prasad during their respective tenure on the Board of the Company.

The Board would like to express its appreciation for the dedicated and sincere efforts put by NHPCians at all levels for the excellent performance of the Company during the year.

The Board salutes with deepest gratitude the dedication, commitment, courage and tireless efforts of all functionaries and personnel in the Government, doctors, nurses, technicians, transporters, police, law enforcement and other agencies who are at the frontline to fight the pandemic by keeping essential services operational, helping register and administer the vaccination drive and to protect our nation from COVID-19 pandemic. NHPC is proud of the sustained and tenacious efforts of its employees especially posted at power stations and projects who are contributing in the service of nation during this challenging time.

**For and on behalf of the Board of Directors**

**(Abhay Kumar Singh)**
**Chairman and Managing Director**
**DIN 08646003**

**Date: August 27, 2021**
**Place: Faridabad**

Annexure-I

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that effective corporate governance practices are essential to build a strong foundation for successful operation of a commercial enterprise. The Company's philosophy on corporate governance ensures transparency, accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and society at large.

Your Company implements best corporate governance practices by ensuring compliance with all regulatory provisions applicable to the Company such as the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Govt. of India and other directives/ guidelines issued by the Government of India from time to time.

The report on compliance with corporate governance and disclosure requirements for the financial year 2020-21 is given as under:

## 2. BOARD OF DIRECTORS

One of the primary role of Board of Directors is to maximise shareholders wealth through strategic supervision. The Board sets organisational goals, provides direction and exercises appropriate control to ensure that the Company heads to achieve its set goals. All statutory and other significant material information are placed before the Board for effective & efficient discharge of its responsibilities.

The Board of your Company constantly endeavours to set new goals and targets, in line with vision & mission of your Company.

### (i) Size & Composition of the Board:

In terms of Articles of Association of the Company, the Board shall have minimum four and not more than fifteen directors. As on March 31, 2021, the Board comprised of six directors out of which five were Executive Directors (including Chairman & Managing Director) and one was Government Nominee Director.

NHPC Limited is a government company as per provisions of the Companies Act, 2013 and is under the administrative control of Ministry of Power (MoP), Govt. of India. As per the Articles of Association of the Company, all the Directors of the Company are appointed/nominated by the President of India acting through MoP, Govt. of India. Accordingly, the skills, expertise and competencies of Directors to be inducted on the Board are determined by the Govt. of India.

The present directors on the Board of Company are from diverse backgrounds with rich knowledge, expertise and experience in the fields of Engineering, Finance, Accounting, Banking, Human Resource, General Corporate Management, etc.

During the financial year 2020-21, composition of the Board of Directors was not in conformity with the provisions of the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance in the absence of requisite number of Independent Directors. Company has requested Govt. of India from time to time through MoP/DPE to appoint requisite number of Independent Directors on its Board.

### (ii) Tenure of Directors:

The Chairman and Managing Director and other Whole-Time Directors are generally appointed for a period of five years from the date of their taking over the charge or till the date of their superannuation or until further orders from the Govt. of India, whichever is earlier. Independent Directors are usually appointed for a period of three years. Government Nominee Directors continue on the Board, at the discretion of nominating authority or till ceasing to be officials of such nominating authority.

**(iii) Resume of Directors seeking appointment or re-appointment:**

Brief resume of Directors seeking appointment or re-appointment at the ensuing Annual General Meeting (AGM) is appended to the notice calling the AGM.

**(iv) Board Meetings:**

The Board of Directors of the Company met eleven times during the financial year 2020-21. The details of board meetings held during the financial year 2020-21 and attendance thereat are given in **Table 1**:

**Table 1: Board meetings held during the financial year 2020-21**

| Sl. No. | Board Meeting Number | Board Meeting Date | Board Strength | No. of Directors Present | | % of Attendance at Board Meeting |
|---|---|---|---|---|---|---|
| | | | | In Person | Through Video Conferencing | |
| 1. | 434 | May 06, 2020 | 8 | 5 | 3 | 100 |
| 2. | 435 | May 28, 2020 | 8 | 6 | 2 | 100 |
| 3. | 436 | June 27, 2020 | 8 | 2 | 6 | 100 |
| 4. | 437 | August 11, 2020 | 8 | 2 | 5 | 87.50 |
| 5. | 438 | August 31, 2020 | 8 | 3 | 4 | 87.50 |
| 6. | 439 | October 20, 2020 | 6 | 4 | 2 | 100 |
| 7. | 440 | November 11, 2020 | 6 | 2 | 4 | 100 |
| 8. | 441 | December 16, 2020 | 6 | 6 | 0 | 100 |
| 9. | 442 | December 30, 2020 | 6 | 5 | 1 | 100 |
| 10. | 443 | February 11, 2021 | 6 | 5 | 1 | 100 |
| 11. | 444 | March 21, 2021 | 6 | 5 | 1 | 100 |

The maximum time interval between any two meetings of the Board did not exceed three months. Necessary quorum for Board meetings held after September 07, 2020 was not present due to non-availability of Independent Directors. The agenda items usually placed before the Board of Directors for their consideration inter-alia includes the following:

- Annual operating plans, budgets and related updates.
- Capital budgets and related updates.
- Quarterly financial results and annual financial statements of the Company and group.
- Constitution/ Re-constitution of Board level Committees.
- Terms of reference of Board level Committees.
- Directors' Report.
- Appointment of Key Managerial Personnel and promotion to the level of Senior Management Personnel (one level below the Board) i.e. Executive Director.
- Minutes of meetings of various Board level Committees.
- Minutes of the meetings of Board of Directors of subsidiary companies.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problem at different locations/units.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Major investments, formation of subsidiaries, joint ventures, strategic alliances, etc.
- Disclosure of interest by directors.
- Declaration of independence by independent directors.
- Status of under construction projects, O&M power stations and projects under pre-investment stage.

- Significant capital investment proposals or award of large value contracts.
- Action taken report on matters desired by the Board.
- Changes in significant accounting policies and practices along with reasons thereof.
- Periodic reports to the Board such as:
  - Quarterly statement of all significant transactions and arrangements entered into by subsidiary companies.
  - Quarterly information with respect to purchases/works/contracts awarded on nomination basis.
  - Quarterly report on compliance of various laws.
  - Quarterly status of investor complaints.
  - Quarterly report on foreign travel of Functional Directors and employees.
  - Quarterly report on short term deposits and investments.
  - Quarterly report on reconciliation of share capital audit.
  - Quarterly report on compliance with corporate governance norms.
  - Quarterly status of arbitration cases.
- All other matters required to be placed before the Board for its review/ information under SEBI LODR and other relevant statutes.

The detail of directors, their attendance at Board meetings/ last AGM, number of shares held in the Company, their directorships in other listed companies and number of directorships & board level committee membership(s)/chairpersonship(s) of other companies as on March 31, 2021 are given in **Table 2**.

**Table 2**

| Name of Director (Shri) | Number of Board Meetings held and attended during their respective tenure | Attendance at last AGM (September 29, 2020) | Number of Shares held in the Company | Number of director-ships held in other Companies* | No. of committee membership(s) held in other companies** | | Directorship in other listed entities (Category of Directorship) |
|---|---|---|---|---|---|---|---|
| | | | | | As Chairperson | As member | |
| **Functional Directors** | | | | | | | |
| Abhay Kumar Singh, Chairman & Managing Director | 11/11 (including one meeting attended through Video Conferencing) | YES | 16,425 | 2 | NIL | NIL | NIL |
| Nikhil Kumar Jain, Director (Personnel) | 11/11 (including five meetings attended through Video Conferencing) | YES | NIL | NIL | NIL | NIL | NIL |
| Yamuna Kumar Chaubey, Director (Technical)[1] | 11/11 | YES | NIL | 2 | NIL | NIL | NIL |
| Rajendra Prasad Goyal, Director (Finance)[2] | 6/6 | N.A. | 17,488 | 2 | 1 | NIL | NIL |
| Biswajit Basu, Director (Projects)[3] | 2/2 | N.A. | 8,625 | 3 | NIL | NIL | NIL |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Mahesh Kumar Mittal, Director (Finance)[4] | 5/5 (including two meetings attended through Video Conferencing) | YES | N.A. | N.A. | N.A. | N.A. | N.A. |
| Ratish Kumar, Director (Projects)[5] | 9/9 (including four meetings attended through Video Conferencing) | YES | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Government Nominee Directors** | | | | | | | |
| Tanmay Kumar, Joint Secretary (Hydro), Ministry of Power[6] | 7/9 (including six meetings attended through Video Conferencing) | No | NIL | 3 | 1 | 1 | 1. SJVN Limited (Nominee Director) 2. Power Finance Corporation Limited (Nominee Director) 3. REC Limited (Nominee Director) |
| Aniruddha Kumar, Joint Secretary (Hydro), Ministry of Power[7] | 2/2 (including one meeting attended through Video Conferencing) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Independent Directors** | | | | | | | |
| Bhagwat Prasad[8] | 5/5 (including five meetings attended through Video Conferencing) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Jugal Kishore Mohapatra[8] | 5/5 (including five meetings attended through Video Conferencing) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

* Directorship held in Indian Companies has been considered.

** Membership(s)/Chairpersonship(s) of Audit Committee and Stakeholders' Relationship Committee held in other companies have been considered.

1. Appointed as Director on the Board of the Company w.e.f. 01.04.2020 as per the orders issued by Ministry of Power.
2. Appointed as Director on the Board of the Company w.e.f. 01.10.2020 as per the orders issued by Ministry of Power.
3. Appointed as Director on the Board of the Company w.e.f. 01.01.2021 as per the orders issued by Ministry of Power.
4. Ceased to be Director on the Board of the Company w.e.f. 30.09.2020 on attaining the age of superannuation.
5. Ceased to be Director on the Board of the Company w.e.f. 31.12.2020 on attaining the age of superannuation.
6. Appointed as Director on the Board of the Company w.e.f. 11.06.2020 as per the orders issued by Ministry of Power.
7. Ceased to be Director on the Board of the Company w.e.f. 29.05.2020 as per the orders issued by Ministry of Power.
8. Ceased to be Director on the Board of the Company on completion of tenure on 07.09.2020.

**Notes:**

(a) None of the directors of the Company holds office of director at any point of time in more than ten (10) public companies including seven (7) listed companies.

(b) None of the directors of the Company is a member in more than ten (10) committees or chairperson of more than five (5) Board level committees across all the companies in which he is a director. For the purpose of determination of limit of the Board level Committees, Chairmanship or Membership of Audit Committee & Stakeholders' Relationship Committee has only been considered.

(c) None of the whole-time directors of the Company is serving as an independent director in more than three listed companies.

(d) None of the independent directors of the Company was serving as an independent director in more than seven listed companies.

(e) The directors of the Company do not have any inter-se relationship.

(f) NHPC has not issued any convertible instrument till date therefore, none of the non-executive directors hold any such instrument.

**(v) Board Independence:**

The Independent Directors of the Company are appointed/ nominated by the President of India acting through administrative ministry i.e. Ministry of Power, Government of India. Accordingly, the appointing authority considers the integrity, expertise and experience of the individual to be appointed/ nominated as Independent Director on the Board of the Company.

During the financial year 2020-21, the remaining Independent Directors on the Board of the Company namely Shri Jugal Kishore Mohapatra and Shri Bhagwat Prasad ceased to be Directors of the Company on completion of their tenure on September 7, 2020. The Company has no Independent Directors on its Board since September 8, 2020. Further, none of the Independent Director(s) has resigned from the Company before the expiry of his/her tenure during the financial year 2020-21.

**(vi) Familiarization Programme for Directors:**

The Company has implemented a policy on training of Board members, which covers CMD and all other Directors on the Board of the Company. The directors of the Company are nominated from time to time to attend various conferences/ programmes on Corporate Governance, Roles & Responsibilities of Directors and other industry related matters organised by Department of Public Enterprises, SCOPE and other reputed institutes. This enables them to augment knowledge & skills for effective and efficient discharge of their responsibilities.

The details of familiarization programmes attended by Directors are available on the website of the Company and can be accessed at the following link:

http://www.nhpcindia.com/writereaddata/Images/pdf/Familirisation%20Programme-English_IFA_202104_2.pdf

**(vii) Performance Evaluation:**

Ministry of Corporate Affairs (MCA) vide its notification dated 5$^{th}$ June, 2015 had inter-alia exempted Government Companies from the requirement to specify the manner for effective performance evaluation of Board, its committees, individual directors, review its implementation and compliance. The said notification also exempted Government Companies from the requirement of providing information in the Directors' report about the manner, in which annual performance evaluation of Board, its committees and individual directors has been made, in case, the performance of directors is being evaluated by the Administrative Ministry.

The performance of all Functional Directors of the Company is being evaluated by the Administrative Ministry i.e. MOP, as per the mechanism for performance appraisal of top management incumbents of CPSEs, specified by DPE. The performance of Nominee Directors of the Company is also evaluated by the nominating authority.

Accordingly, in order to evaluate the performance of Board, Board level committees and Independent Directors of the Company, a "Policy on performance evaluation of Board, Board level committees and

Independent Directors" has been formulated. As per the policy, following evaluation process is being followed by the Company:

A. The Nomination & Remuneration Committee requests every Director to rate the performance of Board, Board level committees and Independent Directors on pre-determined parameters. The ratings are assigned on the following scale:

| Scale | Performance |
|---|---|
| 5 | Exceptionally Good |
| 4 | Good |
| 3 | Satisfactory |
| 2 | Needs Improvement |
| 1 | Unacceptable |

B. The Nomination & Remuneration Committee receives the evaluation forms in sealed cover and summarize the ratings. On the basis of summarized ratings, Chairperson of Nomination & Remuneration Committee finalises his report. He may have discussions with individual director, where any clarification or interpretation is required.

C. The report is placed for consideration of Nomination & Remuneration Committee. The Committee reviews the report and submit its recommendations for consideration of the Board of Directors.

D. The Board after consideration of recommendations of the Nomination & Remuneration Committee issues necessary directions.

The performance evaluation of Board, Board level committees and Independent Directors for the financial year 2019-20 was carried out during the financial year 2020-21. The performance evaluation for financial year 2020-21 shall be carried out during financial year 2021-22. The Nomination & Remuneration Committee generally authorizes Company Secretary to request Directors to rate the performance of Board, Board level Committees & Independent Directors, receive the evaluation forms and summarise the ratings to enable the Chairperson to finalise his report.

## 3. COMMITTEES OF THE BOARD:

The Committees of the Board play a crucial role in governance structure of the Company and assist Board in taking informed decisions by focusing on specific areas/ activities. The recommendations of the Committees on matters under their scope are placed before the Board for information/ approval. The following mandatory Committees were in existence in the Company (as per the composition requirements prescribed under the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance) till September 7, 2020:

1. Audit Committee.
2. Stakeholders' Relationship Committee.
3. Nomination and Remuneration Committee.
4. Committee on Corporate Social Responsibility (CSR) and Sustainability.
5. Risk Management Committee.

Your Company has no Independent Director on its Board since September 8, 2020 due to completion of tenure of remaining two Independent Directors on September 7, 2020. Accordingly, to substantially comply with the requirements prescribed under the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance, the aforesaid mandatory Committees (except Nomination & Remuneration Committee) were re-constituted by the Board of Directors with available Non independent Directors. Subsequent to re-constitution, the composition of mandatory committees except Risk Management Committee was not in conformity with the statutory provisions. The mandatory committees shall be reconstituted as per relevant statutory requirements as and when Independent Directors are appointed by Ministry of Power, Government of India.

To ensure focused and effective decision making, the following non mandatory Committees are also in existence in the Company:

1. Committee of Directors for Allotment and Post-allotment Activities of NHPC Securities.
2. Committee of Directors – Appellate Authority (Subsequent to cessation of remaining Independent Directors on September 7, 2020, the Committee was not reconstituted by the Board).

The Company Secretary acts as Secretary to the Committees. Senior officials of the Company were also invited to provide necessary information/ clarification on matters placed before the Committees, whenever required by the Committees. The Board had accepted all recommendation(s) of committee(s) of the board, which are mandatorily required to be recommended by the committee(s) for its approval.

**Details of members, meetings held, terms of reference etc. of mandatory and non-mandatory committees are as under:**

### 3.1 Audit Committee

As on March 31, 2021, the Audit Committee comprised the following members:

| | | | |
|---|---|---|---|
| i) | Shri Tanmay Kumar | Government Nominee Director | Chairperson |
| ii) | Shri Nikhil Kumar Jain | Director (Personnel) | Ex-Officio Member |
| iii) | Shri Yamuna Kumar Chaubey | Director (Technical) | Ex-Officio Member |

Director (Finance) is ex-officio invitee to the meetings of Audit Committee. Chief Internal Auditor was also invited to the meetings of Audit Committee. Statutory Auditors and Cost Auditors were invited to the meetings of the Committee in which Financial Statements and Cost Audit Reports respectively were discussed.

**Terms of reference:**

The terms of reference of the Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending fixation of audit fees to the Board.
3. Approval of payment to auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a) Matters required to be included in the Directors' Responsibility Statement to be included in the board's report;
    b) Changes, if any, in accounting policies and practices and reasons for the same;
    c) Major accounting entries involving estimates based on the exercise of judgment by management;
    d) Significant adjustments made in the financial statements arising out of audit findings;
    e) Compliance with listing and other legal requirements related to financial statements;
    f) Disclosure of any related party transactions; and
    g) Modified opinion(s) in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of Statutory & Internal Auditors and the adequacy of the internal control systems.
7. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

8. Discussion with Internal Auditors and/or Auditors on any significant findings and follow-up thereon.
9. Reviewing the findings of any internal investigations by internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussions with Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of Whistle Blower Mechanism.
13. To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG).
14. To review the follow-up action taken on the recommendations of Parliament's Committee on Public Undertakings (COPU).
15. Provide an open avenue of communication between the Independent Auditors, Internal Auditor and the Board of Directors.
16. Approval or any subsequent modification of transactions of the Company with related parties.
17. Review with the Independent Auditor the coordination of audit efforts, to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
18. Consider and review the following with Independent Auditor and management:
    - The adequacy of internal controls, including Computerized Information System Controls and Security; and
    - Related findings and recommendations of the Independent Auditors and Internal Auditor, together with management responses.
19. Consider and review the following with management, Internal Auditor and Independent Auditors:
    - Significant findings during the year, including the status of previous audit recommendations; and
    - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.
20. Review and monitor the auditor's independence and performance and effectiveness of audit process.
21. Scrutiny of inter-corporate loans and investments.
22. Valuation of undertakings or assets of the Company, wherever it is necessary.
23. Evaluation of internal financial controls and risk management systems.
24. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.
25. Recommending to the Board the appointment and remuneration of the cost auditors of the Company.
26. Review of:
    a) Management discussion and analysis of financial conditions and results of operations.
    b) Management letter/letters of internal control weaknesses issued by the statutory auditors.
    c) Internal Audit Reports relating to internal control weaknesses.
27. Review of appointment and removal of the Chief Internal Auditor.

28. Reviewing the utilization of loans and/or advances from/investment by the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

29. To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year.

30. To verify that the systems for internal control to ensure compliance with the requirements given in SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively.

31. To carry out any other function as is mentioned in the terms of reference of the Audit Committee pursuant to the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE.

**Meetings and Attendance:**

The Committee met four times during the financial year under report. Details of the meetings and attendance of members are given in **Table 3**.

**Table 3: Audit Committee Meetings**

| S. No. | Date of Meeting | Shri Aniruddha Kumar[1] | Shri Tanmay Kumar[2] | Shri Bhagwat Prasad[3] | Shri Jugal Kishore Mohapatra[3] | Shri Nikhil Kumar Jain[4] | Shri Yamuna Kumar Chaubey[4] |
|---|---|---|---|---|---|---|---|
| 1. | May 06, 2020 | | N.A. | | | N.A. | N.A. |
| 2. | June 27, 2020 | N.A. | | | | N.A. | N.A. |
| 3. | July 29, 2020 | N.A. | | | | N.A. | N.A. |
| 4. | August 31, 2020 | N.A. | | | | N.A. | N.A. |
| **Number of meetings held during respective tenure** | | 1 | 3 | 4 | 4 | 0 | 0 |
| **Meetings attended** | | 1 | 0 | 4 | 4 | 0 | 0 |
| **% of meetings attended** | | 100 | 0 | 100 | 100 | N.A. | N.A. |

[1] Ceased to be member of the Committee w.e.f. 29.05.2020.

[2] Appointed as member of the Committee w.e.f. 17.06.2020 and ceased to be member of the Committee w.e.f. 08.09.2020. Thereafter, appointed as Chairperson of the Committee w.e.f. 21.03.2021.

[3] Ceased to be member of the Committee w.e.f. 08.09.2020.

[4] Appointed as ex-officio member of the Committee w.e.f. 21.03.2021.

Leave of absence, present through Video Conferencing

Shri Jugal Kishore Mohapatra, Independent Director chaired all the meetings of the Committee held during the financial year 2020-21. The Committee was not in existence from September 08, 2020 to March 20, 2021, due to its non-reconstitution by the Board in absence of Independent Directors. Accordingly, no meeting of Committee was held during the aforesaid period.

However, as substantial compliance to the provisions of the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance, the Board had reconstituted the Audit Committee w.e.f. March 21, 2021 with available Non-independent Directors.

The then Chairperson of the Audit Committee was not present in the last AGM of the Company held on September 29, 2020, as he ceased to be Director of the Company on September 7, 2020.

### 3.2 Stakeholders' Relationship Committee

As on March 31, 2021, composition of Stakeholders' Relationship Committee was as under:

| | | | |
|---|---|---|---|
| i) | Shri Rajendra Prasad Goyal | Director (Finance) | Ex-Officio Member and Chairperson |
| ii) | Shri Nikhil Kumar Jain | Director (Personnel) | Ex-Officio Member |
| iii) | Shri Yamuna Kumar Chaubey | Director (Technical) | Ex-Officio Member |
| iv) | Shri Biswajit Basu | Director (Projects) | Ex-Officio Member |

Representative of Registrar & Share Transfer Agent (RTA) of the Company was invited to the meetings of the Committee to apprise about the activities being undertaken by RTA.

**Terms of reference:**

The terms of reference of the Committee are as under:

(i) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(ii) Review of measures taken for effective exercise of voting rights by shareholders.

(iii) Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.

(iv) Review of the various measures and initiatives taken to reduce the quantum of unclaimed dividends and ensure timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

(v) To carry out any other function, as required by the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE.

The Committee met once during the financial year under report. Details of the meeting and attendance of members are given in **Table 4.**

**Table 4: Stakeholders' Relationship Committee Meeting**

| S. No. | Date of Meeting | Shri Bhagwat Prasad[1] | Shri Jugal Kishore Mohapatra[1] | Shri Mahesh Kumar Mittal[1] | Shri Rajendra Prasad Goyal[2] | Shri Nikhil Kumar Jain[2] | Shri Yamuna Kumar Chaubey[2] | Shri Biswajit Basu[2] |
|---|---|---|---|---|---|---|---|---|
| 1. | September 03, 2020 | | | | N.A. | N.A. | N.A. | N.A. |
| **Number of meetings held during respective tenure** | | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| **Meetings attended** | | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| **% of meetings attended** | | 100 | 100 | 0 | N.A. | N.A. | N.A. | N.A. |

[1] Ceased to be member of the Committee w.e.f. 08.09.2020.

[2] Appointed as ex-officio member of the Committee w.e.f. 21.03.2021

Leave of absence, present through Video Conferencing

**Name and Designation of Compliance Officer:**

Shri Saurabh Chakravorty, Company Secretary was appointed as Compliance Officer of the Company in terms of Regulation 6 of SEBI LODR w.e.f. February 11, 2021, subsequent to demise of Shri Vijay Gupta, Ex- Company Secretary on January 16, 2021.

**Shareholders'/Bondholders' Grievances:**

During the financial year 2020-21, shareholders'/bondholders' grievances were attended expeditiously except the cases constrained by disputes or legal impediments. The details of complaints received and resolved during the year are given in **Table 5.**

**Table 5: Shareholders'/ Bondholders' Complaints:**

| Description | Opening balance as on April 1, 2020 | Received during the financial year ended on March 31, 2021 | Resolved during the financial year ended on March 31, 2021 | Pending as on March 31, 2021 |
|---|---|---|---|---|
| **A. Equity Shares** | | | | |
| Non-receipt of refund orders | - | - | - | - |
| Non-receipt of dividend warrants | - | 3,119 | 3,119 | - |
| Complaints received on SEBI SCORES | - | 17 | 17 | - |
| Stock Exchange complaints | - | 4 | 4 | - |
| Consumer forum/court cases | 2 | - | - | 2 |
| Advocate notices | - | - | - | - |
| **TOTAL (A)** | **2** | **3,140** | **3,140** | **2** |
| **B. Bonds** | | | | |
| Non-Receipt of refund order | - | - | - | - |
| Non Receipt of TDS Certificate | - | - | - | - |
| Non-Receipt of electronic credit | - | - | - | - |
| Non-Receipt of interest warrants | - | 138 | 138 | - |
| Non-Receipt of Bonds/Securities. | - | 10 | 10 | - |
| **TOTAL (B)** | **-** | **148** | **148** | **-** |
| **GRAND TOTAL (A+B)** | **2** | **3,288** | **3,288** | **2** |

**SEBI Complaints Redress System (SCORES) – Online Portal of SEBI for lodging complaints against Listed Companies**

Securities and Exchange Board of India (SEBI) has a web based complaints redressal system 'SCORES', which enables shareholder(s)/bondholder(s) to lodge their complaint(s) against the Company. On registration of complaint, a unique complaint registration number is allotted for future reference and tracking. Status of every complaint lodged can also be viewed online and the shareholder/ bondholder can send reminder for their complaint. The Company is required to upload action taken report on the complaints electronically and the complaint is disposed by SEBI, if it is satisfied that the complaint has been adequately redressed.

During the financial year 2020-21, shareholders'/bondholders' complaints received through SCORES have been attended promptly and action taken reports on these complaints were submitted to SEBI through SCORES.

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge his/her complaint(s) in writing.

### 3.3 Nomination & Remuneration Committee

DPE Guidelines on Corporate Governance for CPSEs provides that Remuneration Committee shall decide the annual bonus/ variable pay pool and policy for its distribution across the executives and non unionized supervisors within the prescribed limits.

Being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Chairman & Managing Director and Whole Time Directors in NHPC are decided by the Government of India. The Part Time Non-Official Directors (Independent Directors) are paid sitting fees for attending the Board and Committee meetings. The Government Nominee Directors are not paid any remuneration/sitting fee by the Company. Further, the remuneration of employees of the Company is fixed as per the guidelines issued by Department of Public Enterprises (DPE), from time to time.

The Board of Directors has not re-constituted the Nomination and Remuneration Committee, as the Committee shall comprise of non-executive directors and subsequent to cessation of Independent Directors on Board of the Company on September 7, 2020, the Company has only one non-executive Director (Government Nominee Director) on its Board. The Committee shall be reconstituted subsequent to appointment of Independent Directors on the Board of the Company.

The Composition of Committee as on September 7, 2020 was as under:

| | | | |
|---|---|---|---|
| i) | Shri Jugal Kishore Mohapatra | Independent Director | Chairperson |
| ii) | Shri Bhagwat Prasad | Independent Director | Member |
| iii) | Shri Tanmay Kumar | Government Nominee Director | Member |

Director (Personnel) and Director (Finance) were ex-officio invitees to the meetings of the Committee.

**Terms of reference:**

The terms of reference of the Committee are as under:

1. To formulate the criteria for determining positive attributes and independence of a Director.
2. To recommend distribution of the annual bonus/Performance Related Pay (PRP) and policy for its distribution across the Board and below Board level employees including key managerial personnel.
3. To formulate criteria for the evaluation of independent directors and the board.
4. To devise a policy on board diversity.
5. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the board their appointment and removal.
6. To examine and recommend other allowances and perks, etc. to the Board of Directors for approval.
7. To recommend to the board, all remunerations, in whatever form, payable to senior management.
8. To carry out any other function as may be required under the provisions of the Companies Act, 2013, listing agreement/SEBI LODR and Corporate Governance Guidelines issued by DPE.

**Meetings and Attendance:**

The Committee met once during the financial year under report. Details of the meeting and attendance of members are given in **Table 6.**

**Table 6: Nomination and Remuneration Committee Meeting**

| S. No. | Date of Meeting | Shri Aniruddha Kumar[1] | Shri Tanmay Kumar[2] | Shri Jugal Kishore Mohapatra[3] | Shri Bhagwat Prasad[3] |
|---|---|---|---|---|---|
| 1. | August 06, 2020 | N.A. | | | |
| **Number of meetings held during respective tenure** | | 0 | 1 | 1 | 1 |
| **Meetings attended** | | 0 | 0 | 1 | 1 |
| **%age of meetings attended** | | N.A. | 0 | 100 | 100 |

[1] Ceased to be member of the Committee w.e.f. 29.05.2020.

[2] Appointed as member of the Committee w.e.f. 17.06.2020 and ceased to be member of the Committee w.e.f. 08.09.2020.

[3] Ceased to be member of the Committee w.e.f. 08.09.2020.

Leave of absence, present through Video Conferencing

### 3.4 Committee on Corporate Social Responsibility (CSR) and Sustainability

As on March 31, 2021, composition of Committee on Corporate Social Responsibility (CSR) and Sustainability was as under:

| | | | |
|---|---|---|---|
| i) | Shri Yamuna Kumar Chaubey | Director (Technical) | Ex-Officio Member and Chairperson |
| ii) | Shri Rajendra Prasad Goyal | Director (Finance) | Ex-Officio Member |
| iii) | Shri Biswajit Basu | Director (Projects) | Ex-Officio Member |

**Meetings and Attendance:**

The Committee met two times during the financial year under report. Details of the meetings and attendance of members are given in **Table 7.**

**Table 7: Corporate Social Responsibility (CSR) and Sustainability Committee Meetings**

| S. No. | Date of Meeting | Shri Bhagwat Prasad[1] | Shri Mahesh Kumar Mittal[1] | Shri Ratish Kumar[1] | Shri Nikhil Kumar Jain[1] | Shri Yamuna Kumar Chaubey[2] | Shri Rajendra Prasad Goyal[3] | Shri Biswajit Basu[3] |
|---|---|---|---|---|---|---|---|---|
| 1. | April 24, 2020 | ▣ | ○ | ▣ | ○ | ○ | N.A. | N.A. |
| 2. | July 10, 2020 | ▣ | ▣ | ▣ | ● | ▣ | N.A. | N.A. |
| **Number of meetings held during respective tenure** | | 2 | 2 | 2 | 2 | 2 | 0 | 0 |
| **Meetings attended** | | 2 | 2 | 2 | 1 | 2 | 0 | 0 |
| **% of meetings attended** | | 100 | 100 | 100 | 50 | 100 | N.A. | N.A. |

Note: Shri Janardan Choudhary, Ex- Director (Technical) ceased to be member of the Committee w.e.f. 31.03.2020

[1] Ceased to be member of the Committee w.e.f. 08.09.2020.

[2] Ceased to be member of the Committee w.e.f. 08.09.2020 and re-appointed as ex-officio member of the Committee w.e.f. 21.03.2021

[3] Appointed as ex-officio member of the Committee w.e.f. 21.03.2021.

● Leave of absence, ○ present in person ▣ present through Video Conferencing

### 3.5 Risk Management Committee

As per requirements of SEBI LODR, top 500 listed entities (w.e.f. 05.05.2021, top 1000 listed entities) determined on the basis of market capitalization, as at the end of immediate previous financial year shall constitute a Risk Management Committee. As on March 31, 2020, NHPC was amongst the top 500 listed entities determined on the basis of market capitalization.

As on March 31, 2021, composition of Risk Management Committee was as under:

| | | | |
|---|---|---|---|
| i) | Shri Yamuna Kumar Chaubey | Director (Technical) | Ex-officio Member and Chairperson |
| ii) | Shri Rajendra Prasad Goyal | Director (Finance) | Ex-officio Member |
| iii) | Shri Biswajit Basu | Director (Projects) | Ex-officio Member |

**Terms of Reference:**

1. To assist the Board in corporate governance by overseeing the responsibilities relating to the identification, evaluation and mitigation of operational, strategic and external environment risks.
2. To formulate, review and monitor the risk policies/ plans and associated practices of the Company.
3. To approve and review risk disclosure statements in any public documents or disclosures.
4. To carry out any other function as required by the provisions of the Companies Act, 2013, listing agreement/ SEBI LODR and Corporate Governance Guidelines issued by DPE.

**Meetings and Attendance:**

The Committee met once during the financial year under report. Details of the meeting and attendance of members are given in **Table 8.**

**Table 8: Risk Management Committee Meeting**

| S. No. | Date of Meeting | Shri Jugal Kishore Mohapatra[1] | Shri Bhagwat Prasad[1] | Shri Ratish Kumar[1] | Shri Yamuna Kumar Chaubey[2] | Shri Rajendra Prasad Goyal[2] | Shri Biswajit Basu[2] |
|---|---|---|---|---|---|---|---|
| 1. | February 25, 2021 | N.A. | N.A. | N.A. | 👤 | 👤 | 👤 |
| **Number of meetings held during respective tenure** | | 0 | 0 | 0 | 1 | 1 | 1 |
| **Meetings attended** | | 0 | 0 | 0 | 1 | 1 | 1 |
| **% of meetings attended** | | N.A. | N.A. | N.A. | 100 | 100 | 100 |

Note: Shri Janardan Choudhary, Ex-Director (Technical) ceased to be member of the Committee w.e.f. 31.03.2020.

[1] Ceased to be member of the Committee w.e.f. 08.09.2020.

[2] Appointed as ex-officio member of the Committee w.e.f. 13.01.2021.

👤 present in person

### 3.6 Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities

As on March 31, 2021, Composition of the Committee was as under:

| | | | |
|---|---|---|---|
| i) | Shri Nikhil Kumar Jain | Director (Personnel) | Ex-Officio Member (Chairperson) |
| ii) | Shri Rajendra Prasad Goyal | Director (Finance) | Ex-Officio Member |
| iii) | Shri Biswajit Basu | Director (Projects) | Ex-Officio Member |

**Terms of Reference:**

1. Issue of certificate(s) relating to securities;
2. Transfer and transmission of securities;
3. Re-materialization of securities certificate(s);
4. Issue of duplicate certificate(s) relating to securities; and
5. Consolidation/splitting of NHPC's securities.

**Meetings and Attendance:**

The Committee met once during the financial year under report. Details of the meeting and attendance of members are given in **Table 9**.

**Table 9: Meeting of Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities**

| S. No. | Date of Meeting | Shri Ratish Kumar[2] | Shri Mahesh Kumar Mittal[1] | Shri Nikhil Kumar Jain | Shri Rajendra Prasad Goyal[1] | Shri Biswajit Basu[2] |
|---|---|---|---|---|---|---|
| 1. | November 17, 2020 | ● | N.A. | ○ | ○ | N.A. |
| **Number of meetings held during respective tenure** | | 1 | 0 | 1 | 1 | 0 |
| **Meetings attended** | | 0 | 0 | 1 | 1 | 0 |
| **% of meetings attended** | | 0 | N.A. | 100 | 100 | N.A. |

[1] Director (Finance) is ex-officio member of the Committee. Accordingly, subsequent to cessation of Shri Mahesh Kumar Mtital, Ex-Director (Finance) w.e.f. 30.09.2020, Shri Goyal, Director (Finance) became member of the Committee w.e.f. 01.10.2020.

[2] Director (Projects) is ex-officio member of the Committee. Accordingly, subsequent to cessation of Shri Ratish Kumar, Ex-Director (Projects) w.e.f. 31.12.2020, Shri Basu, Director (Projects) became member of the Committee w.e.f. 01.01.2021.

● Leave of absence, ○ present in person

### 3.7 Committee of Directors – Appellate Authority

As on March 31, 2021, the Board of Directors has not re-constituted the Committee of Directors- Appellate Authority, due to non-availability of Independent Directors on its Board since September 8, 2020. As on September 7, 2020, Composition of the Committee was as under:

| | | | |
|---|---|---|---|
| i) | Shri Jugal Kishore Mohapatra | Independent Director | Chairperson |
| ii) | Shri Bhagwat Prasad | Independent Director | Member |
| iii) | Shri Nikhil Kumar Jain | Director (Personnel) | Ex-Officio Member |

**Terms of reference:**

The Committee is to act as an appellate authority for the cases placed before it in terms of Conduct, Discipline and Appeal Rules.

**Meetings and Attendance:**

The Committee has not met during the financial year under report.

## 4. PROCEDURE FOR BOARD/ COMMITTEE MEETINGS:

**(A) Decision-making process:**

The Company ensures that best industry practices and procedures are adopted for the meetings of Board of Directors/ its committees to professionalize its affairs. It also help in informed and efficient decision-making at the meetings of Board and its Committees.

**(B) Scheduling and selection of agenda items for Board/ Committee meetings:**

- Meetings of the Board/ Committees of Directors are convened by giving appropriate notice with the approval of Chairperson of the Board/ respective Committee. Detailed agenda notes, management reports and other explanatory statements are circulated in advance amongst the members to facilitate meaningful, informed and focused decision making. Whenever urgent issues are required to be addressed, meetings are called at shorter notice or agenda notes are placed on table or resolutions are passed through circulation by adhering to the statutory requirements.
- In case, it is not possible to attach a document to the agenda notes, on account of exceptional circumstances or to maintain secrecy, the document(s) relating thereto is placed on table during the meeting.

- As a part of green initiative, agenda for the meetings are sent through electronic mode ensuring encryption and password protection.
- Agenda papers are circulated after the approval of Chairman and Managing Director.
- The meetings are generally held at Company's office situated at Faridabad.
- Presentations are made before the Board/ Committee of Directors as and when required for better understanding of issues placed before the Board/ Committee.
- Members of the Board have complete access to information pertaining to the Company. Directors are also free to recommend any issue, which they consider important for inclusion in the agenda.
- Senior Management officials are called during the meetings, as and when necessary, to provide additional insight on the matters being discussed by the Board/ Committee of Directors.
- Members of Board/ Committees are provided the facility to participate in meetings through video conferencing.

**(C) Recording of minutes of the meetings of Board/ Committee(s) of Directors:**

Draft minutes of the proceedings of Board/ Committee Meetings are duly circulated to members within fifteen days of conclusion of the meeting for their comments. The Directors communicate their comments on the draft minutes within seven days from the date of circulation thereof. A statement of comments received from Directors is placed before the Chairman & Managing Director/ Chairperson of the respective Committee for consideration and approval thereof. The approved minutes of proceedings of each Board/ Committee meeting are duly recorded in the minutes book within thirty days of conclusion of the meeting and are also circulated to members for their information.

**(D) Follow-up Mechanism:**

The governance process of the Company includes an effective post-meeting follow-up. Accordingly, an action taken report on the decisions taken at the Board/ Committee meetings is compiled and placed before the Board/ respective Committee for information in its subsequent meeting. It helps in effective follow-up reporting and review of decisions.

**(E) Compliance of laws:**

Compliance of all applicable provisions of the Companies Act, 2013, SEBI Regulations, DPE Guidelines and other statutory requirements under different laws has always been a focal point in all operations of the Company. Company has developed an in-house mechanism for online reporting of compliance/ non-compliance of all applicable laws, including location/ state specific laws. A report on compliance of applicable laws is placed periodically before the Board of Directors for its information.

The Company has also submitted an Annual Secretarial Compliance Report to Stock Exchanges for the year ended on March 31, 2021 regarding compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder.

## 5. MEETING OF INDEPENDENT DIRECTORS:

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 read with Department of Public Enterprises Office Memorandum No.16 (4)/2012-GM dated December 28, 2012 and SEBI LODR, a separate meeting of Independent Directors without the presence of Non-Independent Directors and members of the management is required to be held in each financial year. The Company has no Independent Director on its Board since September 8, 2020. Accordingly, no separate meeting of Independent Directors could be held during the financial year 2020-21.

## 6. CODE OF CONDUCT:

The code of business conduct and ethics for board members and senior management personnel was complied by all concerned during the financial year 2020-21.

**Declaration under SEBI LODR and DPE Guidelines on Corporate Governance**

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Business Conduct & Ethics for Board Members and Senior Management Personnel respectively for the financial year ended on March 31, 2021.

Sd/-

(Abhay Kumar Singh)
Chairman & Managing Director
DIN: 08646003

Date: June 14, 2021
Place: Faridabad

## 7. FRAUD PREVENTION AND DETECTION POLICY:

A Fraud Prevention and Detection Policy is effective in the Company. The policy provides a system for detection and prevention of fraud, its reporting (if detected or suspected) and fair dealing on matters pertaining to fraud or suspected frauds involving employees as well as representatives of vendors, suppliers, contractors, consultants, service providers, or any other party doing any type of business with NHPC. All reports on frauds or suspected frauds are investigated with utmost priority.

Head of Projects/ Power Stations/ Units and HOD (Internal Audit) in Corporate Office have been designated as Nodal Officers under the Policy for the respective locations.

## 8. CODE FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF NHPC LIMITED:

In compliance to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, Company has formulated and implemented 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' and 'Code of Fair Disclosure Practices for Prevention of Insider Trading'.

The code is applicable to designated persons defined as under:

a) All Directors, KMPs and Chief Vigilance Officer of the Company;

b) All executives at the level of General Manager & above and all the executives working in Finance at Corporate Office, Company Secretariat & Secretariats of Directors of the Company;

c) Directors, KMPs & employees (executives at the level of Chief/ Chief Engineers and above) and Chief Vigilance Officer of material subsidiary companies of the Company; and

d) Such other employees of the Company including that of material subsidiary companies, temporary/ adhoc employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.

The trading window for trading in securities of NHPC remained close for all the designated persons and their immediate relatives, as and when any price sensitive information is proposed/ expected to be placed before the Board. In addition to above, the trading window is closed at the end of every quarter till 48 hours after consideration of financial results by the Board of Directors.

Company Secretary has been designated as Compliance Officer under the code. Insider trading code is available on website of the Company at the link:
http://www.nhpcindia.com/writereaddata/Images/pdf/Revised%20Insider%20Code%20dated%2007092020.pdf

## 9. REMUNERATION OF DIRECTORS:

The appointment, tenure & remuneration of Functional Directors including CMD is decided by the Govt. of India. The Government Nominee Directors are not paid any remuneration/ sitting fees from the Company. In accordance to the Companies Act, 2013 read with DPE Guidelines and OMs issued from time to time, the Board of Directors of the Company is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 2013.

The Board has fixed an amount of ₹ 20,000/- per meeting as sitting fees payable to Independent Directors for attending meetings of the Board or Committee thereof.

Details of remuneration paid to Functional Directors of the Company during the financial year 2020-21 are given in **Table 10**. Further, the details of sitting fees paid to Independent Directors for attending meetings of Board/ Committees held during the financial year 2020-21 are given in **Table 11**.

**Table 10: Remuneration of Functional Directors paid during the financial year 2020-21**

(Amount in ₹)

| Name of Director | Designation | Salary$ | Benefits* | Performance Related Pay (PRP) | Total |
|---|---|---|---|---|---|
| Shri Abhay Kumar Singh | Chairman & Managing Director | 40,58,520 | 16,70,108 | 21,28,274 | 78,56,902 |
| Shri Nikhil Kumar Jain | Director (Personnel) | 40,55,247 | 16,18,104 | 25,06,962 | 81,80,313 |
| Shri Yamuna Kumar Chaubey[1] | Director (Technical) | 48,22,926 | 6,99,229 | 20,81,748 | 76,03,903 |
| Shri Rajendra Prasad Goyal[2] | Director (Finance) | 22,07,886 | 3,51,573 | 0 | 25,59,459 |
| Shri Biswajit Basu[3] | Director (Projects) | 19,58,705 | 22,27,592 | 0 | 41,86,297 |
| Shri Ratish Kumar[4] | Ex- Director (Projects) | 32,82,930 | 73,27,468 | 13,96,785 | 1,20,07,183 |
| Shri Mahesh Kumar Mittal[5] | Ex- Director (Finance) | 25,72,922 | 56,73,305 | 14,48,043 | 96,94,270 |
| Shri Janardan Choudhary[6] | Ex-Director (Technical) | 1,36,163 | 33,81,820 | 7,02,850 | 42,20,833 |

* Benefits include perquisites, medical reimbursement, EPF, Social Security Scheme & Pension Fund (Matching Contribution), leave encashment, gratuity, new year gift, etc. which were not included in salary.

1 Appointed as Director w.e.f. 01.04.2020.

2 Appointed as Director w.e.f. 01.10.2020.

3 Appointed as Director w.e.f. 01.01.2021.

4 Ceased to be Director w.e.f. 31.12.2020.

5 Ceased to be Director w.e.f. 30.09.2020.

6 Ceased to be Director w.e.f. 31.03.2020.

**Notes:**

1. The Company had not given any stock options during the financial year 2020-21. Further, service conditions of the Functional Directors/ Directors including notice period and severance fee, if any, are governed as per the terms & conditions issued by the Govt. of India.
2. Besides above, Functional Directors are also entitled for medical benefit as per applicable rules of the Company.

**Table 11: Details of sitting fees paid to Independent Directors for the meetings held during the financial year 2020-21**

(Amount in ₹)

| Name of Independent Director | Sitting Fees* | | Total |
|---|---|---|---|
| | Board Meetings | Committee Meetings | |
| Shri Jugal Kishore Mohapatra | 1,00,000 | 1,20,000 | 2,20,000 |
| Shri Bhagwat Prasad | 1,00,000 | 1,60,000 | 2,60,000 |

* In addition to sitting fee, Independent Directors are also reimbursed boarding/ lodging/ conveyance expenses incurred for attending meetings of the Board/ Committees. The amount of sitting fee is excluding the amount of tax paid by the Company on sitting fee under full reverse charge mechanism.

Except as mentioned above, the non-executive directors have no pecuniary relationship or transaction with the Company during the financial year 2020-21.

The terms and conditions of appointment of Independent Directors are available on website of Company at:http://www.nhpcindia.com/writereaddata/Images/pdf/TnC-Apptmt-%20Independent-Directors.pdf

## 10. SUBSIDIARY COMPANIES:

**(i) NHDC Limited:** NHDC Limited is a Joint Venture Company between NHPC Limited and the Government of Madhya Pradesh with equity shareholding of 51% and 49% (including 23% equity shares held by Narmada Basin Projects Company Limited) respectively.

As per Regulation 24 of SEBI LODR and DPE Guidelines on Corporate Governance, NHDC Limited is a material non-listed Indian subsidiary of NHPC Limited. Shri Jugal Kishore Mohapatra, Independent Director of the Company was appointed as Director on the Board of NHDC Limited till completion of his tenure on September 7, 2020.

**(ii) Loktak Downstream Hydroelectric Corporation Limited (LDHCL):** LDHCL is a Joint Venture Company between NHPC Limited and Government of Manipur (GoM) with equity shareholding of 74% and 26% respectively.

As per Regulation 24 of SEBI LODR, the Company is a non-listed Indian subsidiary of NHPC Limited.

**(iii) Bundelkhand Saur Urja Limited (BSUL):** BSUL is a Joint Venture Company between NHPC Limited and Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) to implement a 50 MW Solar Power Project in Tehsil Kalpi, District Jalaun, Uttar Pradesh and other conventional & non-conventional power projects entrusted by the Govt. of Uttar Pradesh. Presently, BSUL is in the process of development of more than 1,500 MW Solar Power Projects in the State of Uttar Pradesh through various modes of implementation.

As per the promoters' agreement, the equity participation of NHPC shall not be less than 74%. UPNEDA may participate in the equity upto 26% of the total share capital of the Company.

As per Regulation 24 of SEBI LODR, the Company is a non-listed Indian subsidiary of NHPC Limited.

**(iv) Lanco Teesta Hydro Power Limited (LTHPL):** LTHPL is a wholly owned subsidiary of NHPC Limited and is executing Teesta-VI Hydroelectric Project (500 MW) on Teesta river in Sikkim.

The Company is a non-listed Indian subsidiary of NHPC Limited as per Regulation 24 of SEBI LODR.

**(v) Jalpower Corporation Limited (JPCL):** NHPC has acquired debt ridden JPCL through CIRP on March 31, 2021. Subsequent to takeover, JPCL has become a wholly owned subsidiary of NHPC Limited and is executing Rangit-IV Hydroelectric Project (120 MW) on Rangit river in Sikkim.

The Company is a non-listed Indian subsidiary of NHPC Limited as per Regulation 24 of SEBI LODR.

**(vi) Chenab Valley Power Projects Private Limited (CVPPPL):** CVPPPL is a Joint Venture Company between NHPC Limited, Jammu & Kashmir State Power Development Corporation Limited (JKSPDC) and PTC India Limited to plan, promote and organise integrated and efficient development of Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW) and Kwar HE Project (540 MW) in the Chenab river basin in all its aspects in the UT of Jammu & Kashmir (erstwhile State of Jammu & Kashmir). As per the Promoters Agreement, the equity participation of NHPC, JKSPDC shall be 49% each and PTC India Limited shall be 2%.

During the financial year 2020-21, shareholding of NHPC in CVPPPL increased to more than 50%, due to non receipt of required matching contribution in equity from other joint venture partners, thereby making it a subsidiary Company of NHPC Limited pursuant to provisions of the Companies Act, 2013. However, control in CVPPPL is being exercised jointly by NHPC and JKSPDC pursuant to Joint Venture Agreement. NHPC has acquired 2% equity of PTC India Limited in CVPPPL in June, 2021.

The Company is a non-listed Indian subsidiary of NHPC Limited as per Regulation 24 of SEBI LODR.

During the year, minutes of the Board meetings of subsidiary companies and details of significant transactions & arrangements entered into by subsidiary companies were placed before the Board of NHPC Limited for its information. The financial statements, in particular, the investments made by these subsidiaries were reviewed by the audit committee.

During the financial year 2020-21, the Company has not disposed-off any shares or assets of the subsidiary companies. More information about the subsidiary companies is given in the Directors' Report.

## 11. GENERAL MEETINGS:

**Annual General Meeting**

Date, time and location of the last three Annual General Meetings and special resolutions passed therein are given in **Table 12**.

**Table 12: Annual General Meetings**

| Financial Year | Date | Time | Location | Special Resolution(s) Passed |
|---|---|---|---|---|
| 2019-20 | September 29, 2020 | 03:00 P.M. | Meeting held through Video Conferencing/ Other Audio Video Means | NIL |
| 2018-19 | September 23, 2019 | 11:00 A.M. | Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana-121003 | a) To re-appoint Prof. (Smt.) Kanika T. Bhal (DIN 06944916), as an Independent Director of the Company.<br>b) To re-appoint Shri Satya Prakash Mangal (DIN 01052952), as an Independent Director of the Company.<br>c) To re-appoint Prof. Arun Kumar (DIN 07346292), as an Independent Director of the Company |
| 2017-18 | September 27, 2018 | 11:00 A.M. | Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana-121003 | a) Authorization to board to consider issue of secured/ unsecured, redeemable, non-convertible debentures/ bonds aggregating up to ₹ 3,300 crore through private placement.<br>b) Alterations in Articles of Association of the Company in line with the provisions of the Companies Act, 2013. |

No Special Resolution was passed through Postal Ballot during financial year 2020-21 and no special resolution is proposed to be passed through Postal Ballot during the financial year 2021-22.

## 12. DISCLOSURES:

**(i) Related Party Transactions:**

The Company has formulated a policy on related party transactions, in compliance with Regulation 23 of SEBI LODR. During the financial year 2020-21, all contracts/ arrangements/ transactions entered into by the Company with related parties were on arm's length basis, intended to further the company's interest. There was no materially significant related party transaction, which have potential conflict with the interest of the Company at large.

The policy on related party transactions as approved by the Board can be accessed on the Company's website at the link: http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Related-Party-Transaction.pdf

**(ii) Disclosure requirements as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance:**

The Company has complied with all the statutory requirements of the regulations and guidelines prescribed by SEBI including regulations from 17 to 27 (except regulation 17 (1), 17 (2A), 18, 19, 20, 21 and 25) and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI LODR. The Company has also complied with all the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Govt. of India (except certain clauses of Chapter 3, 4 & 5). The non compliances were due to non-appointment of Independent Directors on the Board of the Company.

**a) Penalties, strictures imposed by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets or guidelines issued by the Govt., during the last three years:**

During the preceding three years, no penalty was imposed and/ or stricture was passed on the Company by any Stock Exchange or SEBI or any other statutory authority, on any matter related to the capital market or guidelines issued by the Government.

However, during the financial year 2018-19, 2019-20 and the financial year under report, Company had received notices from Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited, as detailed in **Table 13**.

**Table 13: Details of Notices received from Stock Exchanges**

| S. No. | Name of issuing Authority | Amount of fine | Nature of Non-compliance | Reason/ Justification given by Company for non-compliance |
|---|---|---|---|---|
| 1. | BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) | Non-compliance with the requirements of Regulation 17(1) of SEBI LODR due to non-appointment of requisite number of Independent Directors on the Board of the Company since November 5, 2018. | Total Cumulative fine till quarter ended on March 31, 2021 was as under:<br>BSE- ₹ 41,00,500/- (including GST)<br>NSE- ₹ 46,37,400/- (including GST) | As per Article 34 of the Articles of Association of the Company read with MCA notification dated June 5, 2015, the power to appoint Directors (including Independent Directors) on the Board of the Company vests with the President of India. Accordingly, the matter regarding appointment of Independent Directors (including woman director) is being regularly pursued with the Administrative Ministry i.e. Ministry of Power. |
| | | Non-compliance with the requirements of Regulation 17 (2A) of SEBI LODR pertaining to quorum of Board meetings held in each quarter since September 8, 2020. | Total Cumulative fine till quarter ended on March 31, 2021 was as under:<br>BSE- ₹ 70,800/- (including GST)<br>NSE- ₹ 70,800/- (including GST) | The requirement of at-least one Independent Director for the quorum of board meetings held since September 8, 2020 could not be met due to completion of tenure of remaining two Independent Directors on September 7, 2020. |

| | | | | |
|---|---|---|---|---|
| | | Non-compliance with the requirements of Regulations 18, 19, 20 and 21 of SEBI LODR since September 8, 2020. | Total Cumulative fine till quarter ended on March 31, 2021 was as under:<br>BSE- ₹ 7,83,520/- (including GST)<br>NSE- ₹ 9,01,520/- (including GST) | All mandatory Board Level Committees were duly constituted by Board of Directors with available Independent Directors (IDs) till 07.09.2020. However, consequent upon completion of tenure of remaining two IDs on 07.09.2020, the Board of Directors was not able to reconstitute its mandatory committees as per relevant provisions of SEBI LODR and the Companies Act, 2013 due to non-availability of IDs and decided to reconstitute all Mandatory Committees after appointment of IDs by Administrative Ministry i.e. Ministry of Power (MoP). Board further directed that the matter regarding appointment of IDs be regularly pursued with MoP.<br>However, pending appointment of IDs, the Board of Directors through Circular Resolution dated 13.01.2021 has reconstituted Risk Management Committee. The Board of Directors in its meeting held on 21.03.2021 has also reconstituted its other Mandatory Committees except Nomination and Remuneration Committee with existing Non-Independent Directors for substantial compliance of SEBI LODR and the Companies Act, 2013. |
| 2. | BSE Limited* (Issued during FY 2018-19) | Delay in furnishing prior intimation about the meeting of Board of Directors held on March 15, 2019 to consider the proposal for raising of funds through issue of "GOI Fully Serviced Bonds" and "External Commercial Borrowings(ECB)" | ₹ 10,000/- (excluding GST) | (i) Direction to raise funds through "GOI Fully Serviced Bonds" from Ministry of Power was received on March 12, 2019. The bonds were to be raised by end of March, 2019. Accordingly, on March 13, 2019, management decided to place the proposal in already scheduled meeting of Board i.e. on March 15, 2019. Information regarding it was submitted to stock exchanges simultaneously on March 13, 2019. |

| | | | | |
|---|---|---|---|---|
| | | | | (ii) The proposal to raise funds from MUFG Bank under "External Commercial Borrowings (ECB)" was received on March 07, 2019. After, finalisation of modalities, management in view of urgent requirement of funds, on March 12, 2019 (in late evening) decided to place agenda on the subject before Board in already scheduled meeting of the Board i.e. on March 15, 2019. The same was informed to stock exchanges on March 13, 2019. |

* Similar fine was imposed by National Stock Exchange of India Limited, which was waived in January, 2020 considering the justification submitted by the Company.

Company has requested the Stock Exchanges to waive-off the aforesaid fines in view of the justifications submitted by the Company. BSE Limited has waived-off the fines imposed upto quarter ended on December 31, 2020 (except the fine imposed for non-compliance of Regulation 21 of SEBI LODR). Response regarding waiver of fine is awaited from National Stock Exchange of India Limited.

The periodic results and other communications are regularly published on Company's website (www.nhpcindia.com).

**b) Disclosure of events or information:**

The Board had authorised Director (Finance) of the Company to determine materiality of an event or information for the purpose of making disclosures to Stock Exchange(s) under SEBI LODR. Criteria for determination of materiality of an event or information to be disclosed to Stock Exchange(s) has been laid down and is available on website of the Company i.e. www.nhpcindia.com.

**c) Presidential Directives:**

In the preceding three years, the Company has received Presidential directive during financial year 2018-19 regarding pay revision of Board level, below Board level executives and Non-unionised supervisors w.e.f. 01.01.2017. The directive was implemented with the approval of Board of Directors.

**d) Accounting Treatment:**

In views of the management, all applicable Indian Accounting Standards are being followed, while preparation of financial statements.

**e) Whistle Blower Policy:**

The Company has implemented a Whistle Blower Policy to report the instances of unethical/ improper conduct and to take suitable steps for investigation & correction. The policy provides for adequate safeguard against victimisation of employees, who blows the whistle. No personnel was denied access to the Audit Committee during the financial year 2020-21.

During the financial year 2020-21, no complaint was reported under Whistle Blower Policy.

**f) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Providing a safe and harassment-free workplace for every women employee working in the Company has always been an endeavour of the management. Moving a step ahead in this direction, Company has included Sexual harassment of women as misconduct under "NHPC (Conduct, Discipline and Appeal) Rules". During the financial year 2020-21, one complaint of sexual harassment was received by the Company, which is under investigation.

**g) No items of expenditure were debited in books of accounts, which were not for the purposes of the business.**

**h) No expenses of personal nature were incurred for the Board of Directors and Top Management.**

**i) Details of administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for increase:**

(Figures in %)

| Details | 2019-20 | 2020-21 | Reasons for increase |
|---|---|---|---|
| Administrative expenses as a percentage of total expenses | 19.08 | 20.09 | Main reason for variance in administrative expenses is due to increase in insurance expenses, provisions and losses out of insurance claims and variance in financial expenses is due to full year capitalisation of finance cost at Subansiri Lower Project during Financial year 2020-21. |
| Administrative expenses as a percentage of financial expenses | 156.05 | 178.91 | |

**j) Commodity price risk or foreign exchange risk and hedging activities**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. The Board of Directors in its 423rd meeting held on March 15, 2019 had approved the foreign exchange risk management policy of the Company, taking into consideration total exposure of the Company in foreign exchange and risk involved. There is no impact of foreign currency fluctuations on the profit of the Company as these are either adjusted to the carrying cost of respective fixed asset/ Capital work-in-progress or recovered through tariff as per CERC tariff regulations 2019-24.

**k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part:**

Detail of fees paid to statutory auditors during financial year 2020-21 is given in note no. 29 to the Standalone Financial Statements. The detail of fee paid to auditors on consolidated basis during financial year 2020-21 was as under:

| Particulars | Amount (₹ in crore) |
|---|---|
| **i) Statutory Auditors** | |
| **As Auditor** | |
| Audit Fees | 0.90 |
| Tax Audit Fees | 0.23 |
| **In other Capacity** | |
| Taxation Matters | 0.01 |
| Other Matters/ services | 0.68 |
| Reimbursement of expenses | 0.08 |
| **ii) Cost Auditors** | |
| Audit Fees | 0.22 |
| Reimbursement of expenses | - |
| **iii) Goods and Service Tax (GST) Auditors** | |
| Audit Fees | 0.10 |
| **Total Audit Expenses** | **2.22** |

**l) Policy for determining material subsidiaries:**

The Company has formulated a policy for determining material subsidiaries as per Regulation 16 (1) (c) of SEBI LODR. The policy is available on the website at the following link:

http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf

**m) During the financial year 2020-21, Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI LODR, 2015.**

**n) Other Disclosures:**

i. A certificate from Shri Rakesh Kumar Jain, Practicing Company Secretary for the financial year ended 31.03.2021 stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such other statutory authority has been received and is attached as **Annexure-A**.

ii. None of the securities of the Company was suspended from trading during the financial year 2020-21.

iii. Information on adoption of the non-mandatory requirements as prescribed under SEBI LODR is provided in **Annexure-B**.

## 13. CEO/CFO COMPLIANCE CERTIFICATION:

In terms of Regulation 17 (8) of SEBI LODR, a compliance certificate duly signed by Shri Abhay Kumar Singh, Chairman & Managing Director and Shri Rajendra Prasad Goyal, Director (Finance) was placed before the Board of Directors at its meeting held on June 10, 2021 and is annexed to the Corporate Governance Report as **Annexure-C**.

## 14. MEANS OF COMMUNICATION:

Financial results of the Company are announced within the time frame specified in SEBI LODR or such extended timeframe as specified by SEBI from time to time. These results are placed on website of the Company (www.nhpcindia.com) and are published in national & local daily newspapers. The shareholders of the Company are also apprised about the performance of the Company through e-mail on quarterly basis.

In addition to above, official press releases on significant corporate decisions and activities are also made available to stakeholders on the Company's website and through social media handles. Presentations made to institutional investors and/ or analysts are also available on the Company's website www.nhpcindia.com.

Various disclosures made by the Company under Corporate Governance can be accessed by the shareholders on website of the Company under dedicated section "Investor Corner".

Details of publication of audited/ unaudited financial results of the Company are given in **Table 14**.

**Table 14: Audited/ unaudited financial results**

| Newspapers | Date of publication of results for the period ended | | | |
|---|---|---|---|---|
| | June 30, 2020 | September 30, 2020 | December 31, 2020 | March 31,2021* |
| Business Standard (English) - All Editions | - | - | - | June 11, 2021 |
| Business Standard (Hindi) - New Delhi | - | - | - | June 11, 2021 |
| The Financial Express (English) - All Editions | September 01, 2020 | November 12, 2020 | February 13, 2021 | - |
| Jansatta (Hindi) – New Delhi | September 01, 2020 | November 12, 2020 | February 13, 2021 | - |

* The results were also published in other newspapers for wider circulation.

## 15. INFORMATION FOR SHAREHOLDERS

**(i) Details of Annual General Meeting**

**Date: Wednesday, September 29, 2021**

**Time: 03:00 P.M. (IST)**

In order to curb the spread of COVID-19 in the country and in line with the relaxations extended by Ministry of Corporate Affairs (MCA) vide circular dated 13.01.2021 read with circular dated 05.05.2020 and by SEBI vide circular dated 15.01.2021 read with circular dated 12.05.2020, the AGM of the Company for financial year 2020-21 shall be held through Video Conferencing or other audio visual means.

Shareholders are requested to refer the Notice of AGM for necessary details/ instructions regarding participation in the AGM.

**(ii) Financial calendar for financial year 2020-21**

| Particulars | Date |
|---|---|
| Accounting period | April 1, 2021 to March 31, 2022 |
| Unaudited financial results for the first three quarters | Board Meeting to be held within forty five days from the end of each quarter. Financial results will be intimated to Stock Exchanges within stipulated time from the conclusion of Board Meeting. |
| Fourth quarter results/ annual audited financial results for the year ending on March 31, 2022 | Board Meeting to be held on or before May 30, 2022. Financial results will be intimated to Stock Exchanges within stipulated time from the conclusion of Board Meeting. |
| AGM – 2022 | August/ September, 2022 (Tentative) |

**(iii) Book Closure**

The register of members and share transfer books of the Company will remain closed from **Saturday, September 18, 2021 to Wednesday, September 29, 2021** (both days inclusive).

**(iv) Payment of Dividend**

The Company had paid an interim dividend of ₹ 1.25/- per equity share for the financial year 2020-21 in March, 2021. In addition to above, the Board of Directors of the Company has recommended a final dividend of Re. 0.35/- per equity share for the financial year 2020-21. The total dividend for the year comes to ₹ 1.60/- per equity share, if final dividend is approved by the shareholders in ensuing Annual General Meeting.

The members whose name appear in the Register of Members/ list of Beneficial Owners as on **Friday, September 17, 2021 (record date)** will be entitled to receive final dividend. The final dividend, if declared at the AGM, will be paid as per the provisions of the Companies Act, 2013.

**(v) Dividend History**

Details of dividend paid by the Company since listing are given in **Table 15**:

**Table 15: Dividend History**

| Financial Year | Total amount of dividend declared (₹ in crore) | Date of AGM/Board Meeting in which dividend was declared | Date of payment |
|---|---|---|---|
| 2009-10 | 676.54 | September 22, 2010 | October 1, 2010 |
| 2010-11 | 738.04 | September 19, 2011 | September 28, 2011 |
| 2011-12 | 861.05 | September 17, 2012 | September 26, 2012 |
| 2012-13 | 738.04 | September 16, 2013 | September 25, 2013 |
| 2013-14 | 332.13 | September 26, 2014 | October 7, 2014 |

| | | | |
|---|---|---|---|
| 2014-15 | 664.27 (including interim dividend of ₹ 221.43 crore) | January 16, 2015 & September 23, 2015 | February 12, 2015 & October 3, 2015 |
| 2015-16 | 1,660.60 (including interim dividend of ₹ 1,018.50 crore) | February 10, 2016 & September 22, 2016 | March 2, 2016 & October 3, 2016 |
| 2016-17 | 1,984.62 (including interim dividend of ₹ 1,882.02 crore) | January 12, 2017 & September 27, 2017 | January 27, 2017 & October 5, 2017 |
| 2017-18 | 1,436.31 (including interim dividend of ₹ 1,149.05 crore) | February 12, 2018 & September 27, 2018 | March 8, 2018 & October 22, 2018 |
| 2018-19 | 1,466.58 (including interim dividend of ₹ 713.20 crore) | February 8, 2019 & September 23, 2019 | March 05, 2019 & October 18, 2019 |
| 2019-20 | 1506.75 (including interim dividend of ₹ 1,185.31 crore) | February 7, 2020 & September 29, 2020 | March 3, 2020 & October 22, 2020 |
| 2020-21 | 1,255.63 (Interim Dividend) | February 11, 2021 | March 05, 2021 |

**(vi) Listing on Stock Exchanges**

NHPC equity shares are listed on the following Stock Exchanges:

| BSE Limited | National Stock Exchange of India Limited |
|---|---|
| Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 | Address: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 |
| Scrip Code: 533098 | Scrip Code: NHPCEQ |
| ISIN : INE848E01016 | ISIN : INE848E01016 |

The Annual Listing Fee for the financial year 2021-22 has been paid to both stock exchanges i.e. National Stock Exchange of India Limited and BSE Limited within the due dates. Also, the Annual Custodian Fee for the financial year 2021-22 has been paid to both depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited.

**(vii) Market Price Data and performance in comparison to indices**

Comparison of NHPC share price with BSE Sensex and NSE Nifty is given in **Table 16** and **Table 17** respectively.

**Table 16: BSE Sensex and NHPC Share Price**

| SENSEX | | | |
|---|---|---|---|
| **Month** | **High** | **Low** | **Closing** |
| Apr-20 | 33,887.25 | 27,500.79 | 33,717.62 |
| May-20 | 32,845.48 | 29,968.45 | 32,424.10 |
| Jun-20 | 35,706.55 | 32,348.10 | 34,915.80 |
| Jul-20 | 38,617.03 | 34,927.20 | 37,606.89 |
| Aug-20 | 40,010.17 | 36,911.23 | 38,628.29 |
| Sep-20 | 39,359.51 | 36,495.98 | 38,067.93 |
| Oct-20 | 41,048.05 | 38,410.20 | 39,614.07 |
| Nov-20 | 44,825.37 | 39,334.92 | 44,149.72 |
| Dec-20 | 47,896.97 | 44,118.10 | 47,751.33 |
| Jan-21 | 50,184.01 | 46,160.46 | 46,285.77 |
| Feb-21 | 52,516.76 | 46,433.65 | 49,099.99 |
| Mar-21 | 51,821.84 | 48,236.35 | 49,509.15 |

| NHPC SHARE PRICE AT BSE | | | |
|---|---|---|---|
| **Month** | **High (₹)** | **Low (₹)** | **Closing (₹)** |
| Apr-20 | 23.60 | 19.25 | 20.90 |
| May-20 | 20.90 | 19.40 | 19.65 |
| Jun-20 | 21.20 | 19.50 | 20.00 |
| Jul-20 | 20.90 | 19.80 | 20.35 |
| Aug-20 | 24.45 | 20.00 | 21.70 |
| Sep-20 | 22.30 | 19.65 | 20.20 |
| Oct-20 | 20.55 | 19.70 | 19.90 |
| Nov-20 | 22.15 | 19.75 | 21.45 |
| Dec-20 | 23.70 | 21.15 | 22.75 |
| Jan-21 | 25.50 | 22.55 | 24.05 |
| Feb-21 | 26.20 | 23.10 | 24.15 |
| Mar-21 | 26.65 | 23.10 | 24.45 |

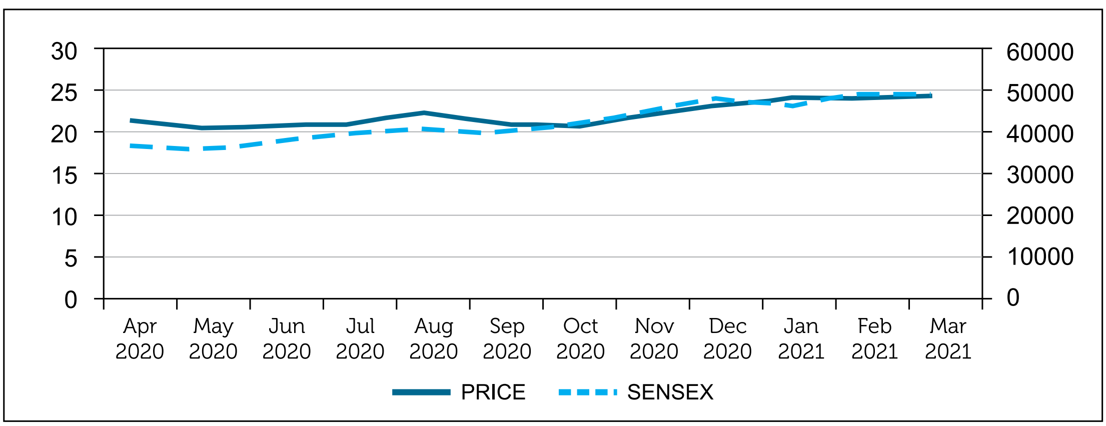
**Table 17: NSE NIFTY and NHPC Share Price**

| NIFTY | | | |
|---|---|---|---|
| **Month** | **High** | **Low** | **Closing** |
| Apr-20 | 9,889.05 | 8,055.80 | 9,859.90 |
| May-20 | 9,598.85 | 8,806.75 | 9,580.30 |
| Jun-20 | 10,553.15 | 9,544.35 | 10,302.10 |
| Jul-20 | 11,341.40 | 10,299.60 | 11,073.45 |
| Aug-20 | 11,794.25 | 10,882.25 | 11,387.50 |
| Sep-20 | 11,618.10 | 10,790.20 | 11,247.55 |
| Oct-20 | 12,025.45 | 11,347.05 | 11,642.40 |
| Nov-20 | 13,145.85 | 11,557.40 | 12,968.95 |
| Dec-20 | 14,024.85 | 12,962.80 | 13,981.75 |
| Jan-21 | 14,753.55 | 13,596.75 | 13,634.60 |
| Feb-21 | 15,431.75 | 13,661.75 | 14,529.15 |
| Mar-21 | 15,336.30 | 14,264.40 | 14,690.70 |

| NHPC SHARE PRICE AT NSE | | | |
|---|---|---|---|
| **Month** | **High (₹)** | **Low (₹)** | **Closing (₹)** |
| Apr-20 | 23.55 | 19.05 | 20.80 |
| May-20 | 20.70 | 19.40 | 19.60 |
| Jun-20 | 21.25 | 19.40 | 20.00 |
| Jul-20 | 20.90 | 19.85 | 20.30 |
| Aug-20 | 24.50 | 20.00 | 21.65 |
| Sep-20 | 22.20 | 19.80 | 20.20 |
| Oct-20 | 20.60 | 19.70 | 19.85 |
| Nov-20 | 22.15 | 19.70 | 21.45 |
| Dec-20 | 23.75 | 21.20 | 22.65 |
| Jan-21 | 25.60 | 22.65 | 24.00 |
| Feb-21 | 26.20 | 23.05 | 24.15 |
| Mar-21 | 26.65 | 23.05 | 24.45 |

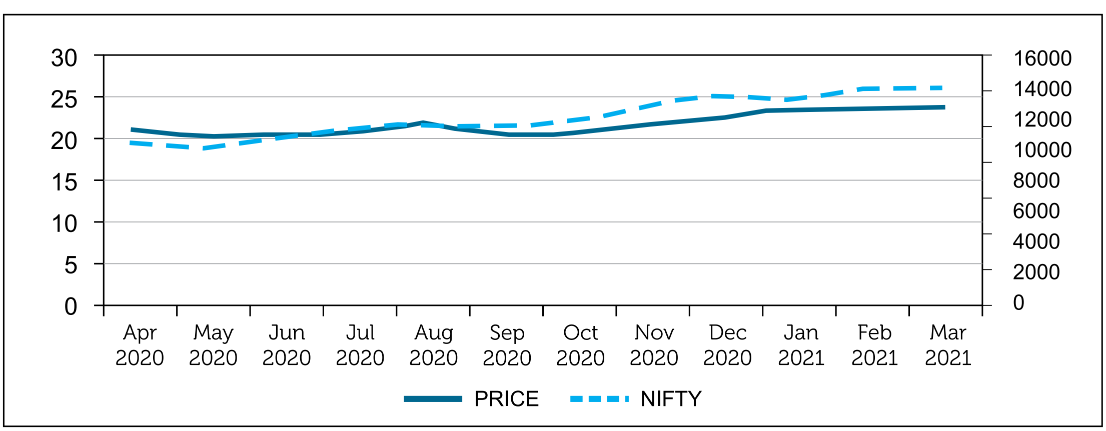
**(viii) Performance in comparison to indices**

**BSE Sensex and NHPC Share price**




Note: Graph is made on the basis of monthly Closing prices

**NSE NIFTY and NHPC Share Price**




Note: Graph is made on the basis of monthly Closing prices

**(ix) Registrar & Share Transfer Agent**

| For Equity Shares | For Tax Free Bonds |
|---|---|
| M/s Alankit Assignments Limited,<br>Alankit House, 4E/2 Jhandewalan Extension,<br>New Delhi - 110055, INDIA<br>Tel: 011 4254 1234, 0114254 1951<br>Fax:011 4254 1201, 011 2355 2001<br>E-mail ID: alankit.nhpc@alankit.com<br>Toll free No: 18601212155<br><br>(M/s Kfin Technologies Private Limited was the Share Transfer Agent of the Company upto April 30, 2021) | M/s Kfin Technologies Private Limited<br>(Formerly Karvy Fintech Private Limited),<br>Selenium Tower- B, Plot No. 31-32,<br>Financial District, Nanakramguda,<br>Serilingampally, Hyderabad,<br>Rangareddi, Telangana– 500 032<br>Tel: 040 6716 2222<br>Toll Free No: 1800 345 4001<br>Fax: 040 2300 1153<br>E-mail ID: einward.ris@kfintech.com |
| **For other Bonds** | |
| M/s RCMC Share Registry Private Limited<br>B-25/1, First Floor, Okhla Phase-II,<br>New Delhi-110020<br>Tel: 011 26387320<br>E-mail ID: investor.services@rcmcdelhi.com | |

**(x) Credit Ratings**

The credit ratings obtained by the Company are as under:

| S. No. | Rating Agency | Credit Rating | Borrowings in respect of which ratings were obtained |
|---|---|---|---|
| **DOMESTIC** | | | |
| 1 | India Rating | IND AAA/ Stable | P, Q, R, TAX FREE, S, T, U, V, X, Y, Y-1, AA and AA-1, AB and AC Series, GOI Bonds & Long term Bank facilities/ FIS |
| | | IND A1+ | Short term working capital limit |
| 2 | ICRA | [ICRA] AAA (Stable) | Q, R, W, Y, Y1 and Tax Free Bonds |
| 3 | CARE | CARE AAA: Stable | Q, S, T, U, V, W, Tax Free, X, AA, AA-1, AB, AC Series and GOI Bonds |
| **INTERNATIONAL** | | | |
| 1 | S&P | "BBB-" Outlook: Negative* | - |

* S&P Global Rating has revised its outlook on NHPC to 'negative' from 'stable' in October, 2020 and maintained 'BBB-' long term issuer credit rating on the Company.

**(xi) Share Transfer System**

The Board of Directors have authorised RTA to process the requests received from shareholders holding physical shares for transfer/ transmission of shares. The requests received for re-materialisation, consolidation of shares and issue of duplicate certificates are overseen by Committee of Directors for Allotment and Post-allotment activities of NHPC Securities. SEBI had barred the physical transfer of shares of listed companies and mandated transfer in demat form only w.e.f. 01.04.2019. However, investors are not barred from holding shares in physical form.

During the year under report, no request for transfer of shares held in physical form was processed by the RTA. SEBI vide circular dated September 7, 2020 had fixed March 31, 2021 as the cut off date for re-lodgment of transfer requests, which were lodged prior to 01.04.2019 but could not be processed at that time for want of certain documents or other reasons and has stipulated that such transferred shares shall be issued only in demat mode. Therefore, no re-lodgement of share transfer requests shall be considered by the Company after March 31, 2021 and transfer of shares shall be in de-mat form only (except in case of transmission or transposition).

Pursuant to Regulation 40 of SEBI LODR, Certificate from Practicing Company Secretary on half-yearly basis confirming that all certificates had been issued within stipulated period from the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies had been submitted to Stock Exchanges.

**(xii) Transfer of Shares and unpaid/ unclaimed amounts to Investor Education and Protection Fund (IEPF)**

During the financial year 2020-21, unpaid/ unclaimed dividend for the financial year 2012-13 aggregating to ₹ 1,33,06,286/- and the corresponding 4,68,875 shares for which dividend entitlements remained unpaid/ unclaimed for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. Further, during the financial year 2020-21, application money received for allotment of tax-free bonds in October, 2013 and due for refund aggregating to ₹ 63,000/- along with interest accrued on such application money due for refund aggregating to ₹ 7,150.15/- has been transferred by the Company to the IEPF. The aforesaid transfers to IEPF were affected within the statutorily stipulated timeframe.

Before effecting transfer of shares to IEPF, company has informed all such members, whose shares were liable to be transferred to IEPF during financial year 2020-21 through letters and newspaper publication.

The details of unpaid/ unclaimed dividend and corresponding shares transferred to IEPF, unpaid and unclaimed amounts lying with the Company and procedure for claiming the dividend and shares from IEPF Authority are available on website of the Company at the link: http://www.nhpcindia.com/IEPF. htm and also on the website of Investor Education and Protection Fund Authority i.e. www.iepf.gov.in. Shareholders may claim their unpaid/ unclaimed dividend for the years prior to financial year 2013-14 and the corresponding shares from the IEPF Authority by applying in prescribed form i.e. IEPF-5.

Unpaid/ unclaimed dividend pertaining to FY 2013-14 and the corresponding shares shall be transferred to IEPF during the year 2021-22. The last date for claiming dividend declared during financial year 2013-14 which remained unpaid/ unclaimed is October 26, 2021. Members may forward their claims for unpaid/ unclaimed dividend to the Company's RTA before it is due to be transferred to IEPF. No claim shall lie against the Company in respect of the dividend/ shares so transferred.

**(xiii) Distribution of shareholding**

Shares held according to the size of holdings and by different categories of shareholders as on March 31, 2021 are given in **Table 18** and **Table 19** respectively:

**(a) Table 18: Distribution of shareholding according to size and percentage of holding as on March 31, 2021**

| Number of shares | Number of shareholders | % of shareholders* | Total shares | % of shares* |
|---|---|---|---|---|
| 1-5,000 | 4,62,683 | 65.82 | 9,07,88,000 | 0.90 |
| 5,001-10,000 | 1,59,753 | 22.73 | 12,06,83,848 | 1.20 |

| | | | | |
|---|---|---|---|---|
| 10,001-20,000 | 42,666 | 6.07 | 6,40,52,834 | 0.64 |
| 20,001-30,000 | 13,741 | 1.95 | 3,50,64,566 | 0.35 |
| 30,001-40,000 | 5,889 | 0.84 | 2,11,30,251 | 0.21 |
| 40,001-50,000 | 5,021 | 0.71 | 2,38,29,232 | 0.24 |
| 50,001-1,00,000 | 7,518 | 1.07 | 5,55,04,566 | 0.55 |
| 1,00,001 and above | 5,725 | 0.81 | 9,63,39,81,508 | 95.91 |
| **Total** | **7,02,996** | **100.00** | **10,04,50,34,805** | **100.00** |

*rounded off to 2 decimal places

**(b) Table 19: Category wise Shareholding Pattern as on March 31, 2021**

| Category | As on March 31, 2020 | | | As on March 31, 2021 | | | Change % Increase/ (Decrease)* |
|---|---|---|---|---|---|---|---|
| | No. of Share-holders | Total Shares | % of share-holding* | No. of Share-holders | Total Shares | % of share-holding* | |
| Government of India | 1 | 7,12,67,72,676 | 70.95 | 1 | 7,12,67,72,676 | 70.95 | 0.00 |
| Mutual Funds | 53 | 58,67,17,209 | 5.84 | 35 | 65,97,51,528 | 6.57 | 0.73 |
| Foreign Portfolio Investors | 157 | 46,83,19,256 | 4.66 | 136 | 40,57,12,886 | 4.04 | (0.62) |
| Financial Institutions/ Banks | 19 | 6,37,09,606 | 0.63 | 11 | 6,13,76,706 | 0.61 | (0.02) |
| Insurance Companies | 14 | 77,17,48,175 | 7.68 | 14 | 77,44,25,487 | 7.71 | 0.03 |
| Resident Individuals/ HUFs | 6,68,972 | 53,74,77,879 | 5.35 | 6,95,807 | 56,80,15,830 | 5.65 | 0.30 |
| Non- Resident Indians | 4,723 | 1,47,20,526 | 0.15 | 5,083 | 1,38,40,972 | 0.14 | (0.01) |
| Clearing Members | 275 | 77,36,531 | 0.08 | 362 | 94,28,369 | 0.09 | 0.01 |
| IEPF | 1 | 24,28,917 | 0.02 | 1 | 28,93,782 | 0.03 | 0.01 |
| Bodies Corporate | 1,766 | 45,21,06,009 | 4.50 | 1,483 | 41,70,81,676 | 4.15 | (0.35) |
| Trusts | 43 | 26,97,489 | 0.03 | 47 | 16,74,433 | 0.02 | (0.01) |
| Others (NBFCs, Foreign Nationals, Overseas Corporate bodies, Alternate Investment Fund, Qualified Institutional Buyers, Foreign Institutional Investors) | 20 | 1,06,00,532 | 0.11 | 16 | 40,60,460 | 0.04 | (0.07) |
| **Total** | **6,76,044** | **10,04,50,34,805** | **100** | **7,02,996** | **10,04,50,34,805** | **100** | |

*rounded off to 2 decimal places

**(c) Top Ten Shareholders as on March 31, 2021**

Details of top ten shareholders of NHPC Limited as on March 31, 2021 are given in **Table 20**:

**Table 20: Top ten shareholders as on March 31, 2021**

| S. No. | Name of shareholder | Total shares | % to Equity* |
|---|---|---|---|
| 1 | PRESIDENT OF INDIA | 7,12,67,72,676 | 70.95 |
| 2 | LIFE INSURANCE CORPORATION OF INDIA | 73,93,09,259 | 7.36 |
| 3 | POWER FINANCE CORPORATION LIMITED | 21,44,73,240 | 2.14 |
| 4 | CPSE EXCHANGE TRADED SCHEME (CPSE ETF) | 18,17,49,535 | 1.81 |
| 5 | HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND | 17,80,21,100 | 1.77 |
| 6 | REC LIMITED | 17,53,02,206 | 1.75 |
| 7 | SBI FOCUSED EQUITY FUND | 15,58,62,866 | 1.55 |
| 8 | FIH PRIVATE INVESTMENTS LTD | 3,84,30,000 | 0.38 |
| 9 | VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND | 3,19,85,425 | 0.32 |
| 10 | VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 3,17,54,315 | 0.32 |
| | **Total** | **8,87,36,60,622** | **88.35** |

*rounded off to 2 decimal places.

**(xiv) Dematerialization of Shares and Liquidity**

The shares of the Company are in dematerialized segment and are available for trading under systems of both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Reconciliation of share capital audit confirming that the total issued capital of the Company is in agreement with the total number of shares held in physical form and the total number of shares held in demat mode with NSDL and CDSL is placed before the Board on quarterly basis. A copy of the Audit report is also submitted to the Stock Exchanges.

No. of shares held in dematerialized and physical mode as on March 31, 2021

| Particulars | Total Shares | % to Equity* |
|---|---|---|
| Shares in dematerialized form with NSDL | 9,63,81,62,257 | 95.95 |
| Shares in dematerialized form with CDSL | 40,68,01,497 | 4.05 |
| Physical | 71,051 | 0.00 |
| **Total** | **10,04,50,34,805** | **100.00** |

* rounded off to 2 decimal places

The names and addresses of the depositories are as under:

1. **National Securities Depository Limited**
   Trade World, A-Wing, 4th Floor,
   Kamala Mills Compound,
   Lower Parel, Mumbai – 400 013

2. **Central Depository Services (India) Limited**
   Marathon Futurex, A-Wing,
   25th Floor, NM Joshi Marg,
   Lower Parel, Mumbai – 400 013

**(xv) Demat Suspense Account**

Details of shares in the suspense account as on March 31, 2021 is given in **Table 21**

**Table 21: Shares in suspense account**

| Description | No. of Cases | No. of Shares |
|---|---|---|
| Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the year | 4 | 1,048 |
| Number of shareholders who approached the Company for transfer of shares from the suspense account during the year | - | - |
| Number of shareholders to whom shares were transferred from the suspense account during the year | - | - |
| Number of Shareholders whose shares were transferred to IEPF account during the year | - | - |
| Aggregate number of shareholders and outstanding shares in the suspense account at the end of the year | 4 | 1,048 |

Note: Voting rights on above shares continue to remain frozen till these shares are in suspense account. Further, in terms of requirements of the Companies Act, 2013, the shares in suspense account shall be transmitted to IEPF within stipulated time.

**(xvi) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on equity:**

NHPC Limited has not issued any GDRs/ ADRs/ warrants or any convertible instruments which has impact on equity.

**(xvii) Location of NHPC Plants:**

| | | |
|---|---|---|
| 1. | Bairasiul | NHPC Limited, Surangani, Distt. Chamba, Himachal Pradesh – 176 317 |
| 2. | Loktak | NHPC Limited, P.O. Loktak, Komkeirap, Manipur- 795 124 |
| 3. | Salal | NHPC Limited, P.O. Jyotipuram, Distt. Reasi, UT of Jammu & Kashmir - 182 312 |
| 4. | Tanakpur | NHPC Limited, P.O. T.P.S. Campus, Banbassa, Distt. Champawat, Uttarakhand – 262 310 |
| 5. | Chamera-I | NHPC Limited, Khairi, Distt. Chamba, Himachal Pradesh – 176 325 |
| 6. | Uri-I | NHPC Limited, Gingle, P.O. Mohra, Distt. Baramulla, UT of Jammu & Kashmir- 193 122 |
| 7. | Rangit | NHPC Limited, P.O. Rangit Nagar, South Sikkim - 737 111 |
| 8. | Chamera-II | NHPC Limited, Karian, Distt. Chamba, Himachal Pradesh –176 310 |
| 9. | Dhauliganga-I | NHPC Limited, Post Box No.1, Tapovan, Dharchula, Distt. Pithoragarh, Uttarakhand - 262 545 |
| 10. | Dulhasti | NHPC Limited, Chenab Nagar, Sector-II, Kishtwar, Distt. Kishtwar, UT of Jammu & Kashmir - 182 206 |
| 11. | Teesta-V | NHPC Limited, P.O. Singtam, East Sikkim - 737 134 |
| 12. | Sewa-II | NHPC Limited, Mashka, Distt. Kathua, UT of Jammu & Kashmir – 176 325 |
| 13. | Chamera-III | NHPC Limited, Village Dharwala, PO – 9, Distt. – Chamba, Himachal Pradesh – 176 311 |
| 14. | Chutak | NHPC Limited, P.O. Minji, Distt. Kargil, UT of Ladakh – 194 103 |
| 15. | Teesta Low Dam–III | NHPC Limited, Rambi Bazar, P.O. Reang, Distt. Darjeeling, West Bengal – 734 321 |
| 16. | Nimmo Bazgo | NHPC Limited, Alchi, Distt. Leh, UT of Ladakh –194 101 |

| | | |
|---|---|---|
| 17. | Uri- II | NHPC Office cum Residential Complex, Nowpora, Uri, Distt. Baramulla, UT of Jammu & Kashmir – 193 122 |
| 18. | Parbati-III | NHPC Limited, Village Behali, P. O.Larji, Distt. Kullu, Himachal Pradesh – 175 122 |
| 19. | Teesta Low Dam–IV | NHPC Limited, Kalijhora, P.O. Kalijhora Bazar, Distt. Darjeeling, West Bengal –734 320 |
| 20. | Kishanganga | NHPC Limited, NHPC Office & Residential Complex, Karalpora, Distt. Bandipora, UT of Jammu & Kashmir -193 502 |
| 21. | Jaisalmer Wind Power Project | NHPC Limited, Village Lakhmana, District Jaisalmer, Rajasthan |
| 22. | Tamilnadu Solar Power Project | NHPC Limited, Renganathapuram Village, A. Vadipatti Road, Periyakulam Taluk, District Theni, Tamilnadu-625 602 |

**(xviii) Green Initiatives in Corporate Governance**

In line with relaxations extended by MCA and SEBI due to COVID 19 pandemic and in furtherance of 'Green Initiative', the Company has effected delivery of Notice of AGM and Annual Report through electronic mode only to those Members whose e-mail IDs were registered with the respective Depository Participants/ Company/ RTA. The Notice of AGM and Annual Report are also placed on website of the Company i.e. www.nhpcindia.com.

**(xix) Address for Correspondence:**

Shri Saurabh Chakravorty,
Company Secretary and Compliance Officer,
5th Floor, Neer Shakti Sadan, NHPC Office Complex,
Sector – 33, Faridabad,
Haryana – 121 003
E-mail: companysecretary@nhpc.nic.in

The phone numbers and e-mail addresses for communication are given below:

| | Telephone Number | Fax No. |
|---|---|---|
| Registered Office | 0129-2588110 | 0129-2278018 |
| Investor Relation Cell | 0129-2250437 | - |
| E-mail ID | investorcell@nhpc.nic.in | |
| Shri Anuj Kapoor, Chief Investor Relations Officer | 0129-2270603 | - |
| E-mail ID | anujkapoor@nhpc.nic.in | |

As per SEBI Circular dated 22.01.2007, exclusive e-mail address for redressal of Investor Complaints is companysecretary@nhpc.nic.in

For and on behalf of the Board of Directors

(Abhay Kumar Singh)
Chairman and Managing Director
DIN: 08646003

Date: August 27, 2021
Place: Faridabad

**ANNEXURE-A**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
NHPC LIMITED
NHPC Office Complex, Sector-33,
Faridabad-121003

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NHPC LIMITED having CIN L40101HR1975GOI032564 and having registered office at NHPC Office Complex, Sector-33, Faridabad- 121003 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S. No. | Name of the Directors | DIN |
|---|---|---|
| 1 | Shri Abhay Kumar Singh | 08646003 |
| 2 | Shri Nikhil Jain | 05332456 |
| 3 | Shri Yamuna Kumar Chaubey | 08492346 |
| 4 | Shri Rajendra Prasad Goyal | 08645380 |
| 5 | Shri Biswajit Basu | 09003080 |
| 6 | Shri Tanmay Kumar | 02574098 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
(Rakesh Kumar Jain)
Practising Company Secretary
FCS 2162, CP2334
UDIN – F002162C000122865

Place : New Delhi
Date : April 19, 2021

**ANNEXURE-B**

**Non-Mandatory Requirements:** Besides the mandatory requirements as mentioned in the preceding pages, the status of compliance with non-mandatory requirements of the SEBI LODR is as under:

1. The Board: The Company is headed by an Executive Chairman.
2. Shareholders' Rights: A half-yearly declaration of financial performance, including a summary of significant events during the last six months is not sent individually to every shareholder. However, periodic financial results are made available on the Company's website www.nhpcindia.com and are published in the leading newspapers as mentioned under the heading 'means of communication' in this Report. The shareholders of the Company are also apprised about the financial performance of the Company through e-mail on quarterly basis.
3. Modified opinion(s) in audit report: It is always Company's endeavour to present unqualified financial statements.
4. Separate posts of chairperson and chief executive officer:

   The post of Chairperson and Managing Director in the Company is held by a single person appointed by President of India through Ministry of Power (MOP), Govt. of India.
5. Reporting of Internal Auditor: Shri Kuppile Lakshman Acharyulu, General Manager (Finance) is the Chief Internal Auditor of the Company. As per organization structure of the Company, Shri Acharyulu is reporting to Director (Finance) of the Company.

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**ANNEXURE-C**

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To,**
**The Board of Directors,**
**NHPC Limited,**
**Faridabad**

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief :

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee about the

i. significant changes in internal control over financial reporting during the year ended 31st March, 2021;

ii. significant changes in accounting policies during the year ended 31st March, 2021 and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **(R.P. Goyal)** | **(Abhay Kumar Singh)** |
| **Director (Finance)** | **Chairman and Managing Director** |
| DIN 08645380 | DIN 08646003 |

Place: Faridabad
Date: June 09, 2021

**Annexure-II**

# CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
**NHPC Limited.**

We have examined the compliance of conditions of Corporate Governance by **NHPC Limited** for the year ended 31st March, 2021, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance except:

1. *Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the second proviso of Section 149(1) of the Companies Act, 2013, the Board of Directors does not consist of an Independent Woman Director and Women Director for the financial year 01.04.2020 to 31.03.2021.*
2. *Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company did not have requisite no. of Non-executive Directors on the Board of the Company for the financial year 01.04.2020 to 31.03.2021 and as per clause 3.1.2 of DPE Guidelines, the number of Functional Directors should not exceed 50% of the actual strength of the Board for the financial year 01.04.2020 to 31.03.2021.*
3. *Company did not had requisite number of Independent Directors on the Board as per Regulation 17 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per Clause 3.1.4 of DPE Guidelines and as per the Section 149(4) of the Companies Act, 2013 during the period from 01.04.2020 to 07.09.2020 and no independent Director from 08.09.2020 to 31.03.2021. Due to non-appointment of independent directors in the Company, consequential non-compliances arised during the period from 08.09.2020 to 31.03.2021.*
4. *Company does not have Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee during the period from 08.09.2020 to 20.03.2021 and Risk Management Committee from 08.09.2020 to 12.01.2021 and Nomination and Remuneration Committee from 08.09.2020 to 31.03.2021 in accordance with Section 135, 177 & 178 of the Companies Act, 2013, Regulations 18, 19, 20 & 21 of SEBI (LODR) 2015 and chapter 4 & 5 of DPE Guidelines.*
5. *No meeting of Independent Directors was held during the financial year 2020-2021 as per regulation 25 of SEBI (LODR), 2015.*

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulations 17, 18, 19, 20 & 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, against which the Company has submitted responses along with the waiver requests. BSE Limited vide e-mails dated 24th September, 2020 and 19th April 2021 has communicated waiver of fine upto the quarter ended 30th June, 2020 and 31st December, 2020 (except Regulation 21) respectively.

We further state that such compliance certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Certificate No: 626/2019

Sd/-
**CS Sachin Agarwal**
**Partner**
**FCS No.: 5774**
**CP No.: 5910**

**Date:** August 4, 2021
**Place:** New Delhi
**UDIN:** F005774C000733655

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The global power sector is going through the phase of major transformation with new energy sources and new players entering the arena of power generation. The world is witnessing the cause of climate change and is inclining towards greener sources of energy which has outgrowth the share of renewable energy sector. The year 2020 witnessed one of the biggest health challenges faced by the world. COVID-19 pandemic has impacted all segments of economy and power sector was no exception. The electricity generation in the country fell by 9.12% to 598.93 Billion Units (BUs) in the first half of FY 2020-21 as compared to previous year as industrial and commercial activities remained muted amid lockdowns imposed across the nation, but picked up pace in the second half of the fiscal, with the easing of lockdown measures[1]. India's growing urban population, start of economic activities in the coming quarters after a sizable population gets vaccinated and its quest for affordable, clean and reliable power provide a huge scope for continued growth in power demand.

The power sector provide the stimulus for growth of Indian economy. The sector mainly comprises generation, transmission and distribution utilities which is a crucial component of India's infrastructure base. India is the third largest consumer of energy in the world after USA and China as reported by international agencies like IEA, Statista, but the per capita energy consumption of India is still very low as compared to developed countries. With the growth in economy, 100% electrification, housing for all and introduction of electrical vehicles, the energy demand in the country is likely to increase tremendously creating opportunities for the power sector companies. India's strategy is to encourage development of renewable sources of energy through incentives provided by the Government to promote hydro, wind and solar energy. The future of the energy industry has changed with the emergence of new technologies, greater environmental challenges etc. Above industry scenario indicates that there is ample opportunity for consistent growth of business in hydro and renewable energy sector in the times to come with growth in demand.

Water is one of the nature's invaluable renewable gifts which can be harnessed for least cost power generation. Hydro-electric power is one of the most widely used sources of energy. Our country has an enormous hydro power potential and ranks amongst the topmost nations in the world for possessing feasible hydro-power capacity, most of which is yet to be tapped. Your Company has prominent role to play in tapping the hydro-power potential of the Country and has already developed twenty hydro-electric projects across the country.

As on March 31, 2021, the total installed capacity of India's power stations stood at 3,82,151.23 MW with contribution of 2,34,728.22 MW, 46,209.22 MW, 6,780 MW and 94,433.79 MW from Thermal, Hydro, Nuclear and Renewable power respectively [2]. Country's total electricity generation from conventional sources was 1234.44 BUs during the financial year 2020-21 as compared to 1250.78 BUs during last year, registering a subsidence of 1.29%[3]. Power supply position (demand/availability) in the country shown energy demand of 12,75,534 MUs during 2020-21 whereras energy supplied was 12,70,663 MUs i.e. deficit of 0.4%[4].

## 2. HYDROPOWER POTENTIAL IN INDIA

The re-assessment study of the hydro-electric potential of the country was done by the Central Electricity Authority (CEA) in 1987. According to it, the hydro power potential in terms of installed capacity is estimated at 1,48,701 MW, comprising 1,45,320 MW potential capacity from hydro-electric schemes having capacity of above 25 MW. Therefore, the outlook of India's hydropower generation looks promising with expected pace of industrialization in the country and Government of India's mission to provide 24x7 electricity to all.

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[1, 2 & 4] Source: Central Electricity Authority

[3] Source: Website of Ministry of Power

## 3. MEASURES TAKEN BY GOVERNMENT OF INDIA TO PROMOTE HYDROPOWER SECTOR

Government of India has taken various initiatives to achieve inclusive growth in Power Sector for providing cleaner and affordable power for all. One of such initiative is the new hydro policy, wherein the Government of India has approved a slew of measures which inter-alia include declaration of Large Hydropower Projects (LHPs) i.e. projects with capacity of more than 25 MW as renewable energy source. Provisions of Hydro Purchase Obligations (HPO) have been notified as a separate entity within Non–solar Renewable Purchase Obligation (RPO), which require Distribution Companies (DISCOMs) to buy a fixed amount of hydro energy to cut reliance on fossil fuels etc.

Ministry of Power, Government of India in January, 2021 notified RPO trajectory with HPO as a separate entity within Non-Solar RPO. As per above notification:

- ❖ RPO shall be calculated in energy terms as a percentage of total consumption of electricity excluding consumption met from hydro sources (LHPs).
- ❖ Solar RPO may be met by power produced from solar power plants-solar photo voltaic or solar thermal.
- ❖ Other Non-Solar RPO (excluding HPO), may be met from any renewable source other than solar and LHPs.
- ❖ HPO benefits may be met from the power procured from eligible LHPs commissioned on or after March 08, 2019 and upto March 31, 2030 in respect of 70% of the total generated capacity for a period of 12 years from the date of commissioning. Free power is to be provided as per agreement with the State Government and that provided for Local Area Development Fund (LADF), shall not be included within this limit of 70% of the total generated capacity.
- ❖ HPO liability of the State/Discom could be met out of the free power being provided to the State from LHPs commissioned on or after March 08, 2019 as per agreement at that point of time excluding the contribution towards LADF if consumed within the State/Discom. Free power (not contributed towards Local Area Development) only to extent of HPO liability of the State/Discom, shall be eligible for HPO benefits.
- ❖ In case the free power, as above, is insufficient to meet the HPO obligations, then the State would have to buy the additional hydro power to meet its HPO obligations or may have to buy the corresponding amount of Hydro Energy Certificate to meet the non-solar hydro renewable obligations.
- ❖ The Hydro Energy Certificate mechanism under Regulation to be developed by CERC to facilitate compliance of HPO Obligation, would have a capping of ₹ 5.50/Unit of electrical energy w.e.f. March 08, 2019 to March 31, 2021 and with annual escalation @ 5% thereafter for purposes of ensuring HPO compliance.
- ❖ HPO Trajectory shall be trued up on annual basis depending on the revised commissioning schedule of Hydro Projects. The HPO Trajectory for the period between 2030-31 and 2039-40 shall be notified subsequently.
- ❖ Hydro Power imported from outside India shall not be considered for meeting HPO.
- ❖ On achievements of Solar RPO compliance to the extent of 85% and above, balance shortfall, if any, can be met by excess non-solar energy consumed beyond specified Non-Solar RPO for that particular year. Similarly, on achievement of other Non-Solar RPO compliance to the extent of 85% and above, balance shortfall if any, can be met by excess solar or eligible hydro energy consumed beyond specified Solar RPO or HPO for that particular year. Further, on achievement of HPO compliance to the extent of 85% and above, balance shortfall, if any, can be met by excess solar or other non-solar energy consumed beyond specified Solar RPO or Other Non-Solar RPO for that particular year.
- ❖ POSOCO will maintain data related to compliance of RPOs.
- ❖ SERCs may consider to notify RPO trajectory including HPO for their respective States in line with aforesaid RPO trajectory. Moreover, CERC may consider to devise suitable mechanism similar to Renewable Energy Certificate (REC) mechanism to facilitate fulfillment of HPO.

Lately, Ministry of Power, Government of india has invited suggestions on Draft National Electricity Policy, 2021. Your Company along with all other CPSEs has manifested modifications in the Policy, which will expedite development of Hydro Power Sector in India.

Tariff rationalization measures for bringing down hydropower tariff have also been notified which allows hydro power developers to determine tariff by back loading of tariff after increasing project life to 40 years, increasing debt repayment period to 18 years and introducing escalating tariff of 2%. The levellized tariff over the useful life of the hydro-electric project may be calculated on the basis of the norms specified in CERC Regulations. The determination of year wise tariff is left to the Developers and DISCOMs as per their feasibility for a long term PPA for procurement of Hydro Power for a period of not less than specified years depending upon specified conditions.

Further, to reduce time and cost overruns of Hydro Power Projects, Ministry of Power has issued guidelines for compliance, which include provision of sunset date, scheduling, dispute resolution, enhanced delegation, adoption of international best practices, timely claim settlement and incentive to labour for achieving project milestones in time.

## 4. MEASURES TAKEN BY MINISTRY OF POWER, GOVERNMENT OF INDIA TO ENSURE PAYMENT SECURITY MECHANISM TO INTER-STATE GENERATORS SUPPLYING POWER TO DISCOMS

As a payment security mechanism, a provision has been made in PPAs to provide Letter of Credit (LC) by DISCOMs to generating companies. However, LCs are not being provided by DISCOMs having large outstanding dues. Ministry of Power (MoP) vide its order dated June 28, 2019 has re-emphasized the need for maintenance of adequate LC as a payment security mechanism. National Load Dispatch Center (NLDC)/ Regional Load Dispatch Center (RLDC) were directed to schedule power to DISCOMs only after intimation by Generating Companies (GENCOs) that LCs for desired quantum of power has been opened by DISCOMs. LC for shorter duration i.e. one week / fortnight was also permitted. In case of difficulty, even payment of advance through electronic mode for one day purchase of electricity was also granted. The above measures have ensured that DISCOMs release the payments to generating companies timely for electricity drawn from August 01, 2019 onwards.

Ministry of Power (MoP), Government of India in March, 2021 has issued further directions for strict compliance. As per MoP directions, DISCOMs have to liquidate current dues after February 01, 2021 in time and LC has to be encashed invariably by GENCOs, if DISCOMs are unable to pay their current dues within specified period. Also, in case of accumulated dues of period before February 01, 2021, the DISCOMs and GENCOs have to work out an installment plan to liquidate the dues and any failure on part of DISCOMs will result in regulation of power supply and/or invocation of Tripartite Agreement.

The above measures have ensured that DISCOMs timely release the payments for electricity drawn from February, 2021 onwards. In view of prevalent low interest regime and raising of the issue of high late payment surcharge rate by DISCOMs, MoP vide notification dated February 22, 2021 has notified the Electricity (Late Payment Surcharge (LPS)) Rules, 2021 according to which the rate of late payment surcharge has been reduced from 18% per annum to SBI MCLR (1 year) as on 1st April of the financial year plus 5 percent which results into surcharge of 12.75% per annum for balance period of financial year 2020-21 from the date of issue of notification. Further, the rate of Late Payment Surcharge for the successive months of default shall increase by 0.5 percent for every month of delay provided that the LPS shall not be more than 3 percent higher than the base rate at any time. Simultaneously, it has been directed that all payments from DISCOMs shall be first adjusted towards LPS and thereafter, towards monthly charges, starting from the longest overdue bills.

## 5. CERC (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2019

CERC has issued CERC (Terms and Conditions of Tariff) Regulations, 2019 in March, 2019 which are applicable for the period 2019-24. Some of the benefits for Hydro-electric Projects as per above regulations are as under:

- Cut-off date now to be considered as 36 months from the end of calendar month of Commercial Date of Operation (COD).
- Delay in obtaining statutory approval for the project (except where the delay is attributable to the project developer) included under 'Force Majeure' event.
- Variation in additional capitalization increased from 5% to 10% for levy of penal interest (i.e. 1.2 times bank rate for reimbursement of additional AFC to beneficiaries & 1 times the bank rate for recovery of AFC from beneficiaries).
- Land acquisition (except where the delay is attributable to the generating company) to be considered as 'un-controllable factor' for analysis of time & cost overrun.

- O&M expenses for older plants - the normative O&M expenses allowed for older power stations does not include the impact of wage revision, minimum wages and GST, which will be allowed separately.

CERC has also notified Second Amendment to CERC Tariff Regulations, 2019 in February, 2021 which states that the charges payable by a beneficiary DISCOMs shall be first adjusted towards late payment surcharge on the outstanding charges and thereafter, towards monthly charges billed by the generating company starting from the longest overdue bill.

## 6. SWOT ANALYSIS

### (i) STRENGTHS

- **Established track record in developing hydro-electric projects & experienced manpower**

  Your Company possesses rich experience and expertise in development of hydro-electric projects across the country. NHPC has a competent and committed workforce which has extensive experience in the industry with capabilities and expertise in conceptualization, construction, commissioning and operation of hydro-electric projects. Their skills, industry knowledge and experience provide significant competitive advantage to the Company.

- **Capabilities from concept to commissioning including in-house design & engineering and geo-technical studies**

  NHPC has over 45 years of experience in hydro power sector and is endowed with in-house capabilities from conceptualization to commissioning of hydroelectric projects. NHPC has a full-fledged design division dedicated to cater the design and engineering requirements of its projects. The in-house design team with extensive experience in hydro power sector gives NHPC an edge over other hydro power companies. NHPC has specialized group consisting of experienced geologists, geophysicists and research personnel who are capable of providing engineering geological and geotechnical solutions for hydropower projects right from inception to commissioning. NHPC is using the latest geo-physical exploration techniques on site for data interpretation and preparation of in-house reports. NHPC is the only hydro utility in India having expertise in techniques like tunnel seismic prediction, seismic tomography and high resolution resistivity imaging which provide sub-surface information in an effective and economic way. NHPC has also acquired advanced 12-Channel Resistivity Imaging system and latest generation hydrophone chains. Your Company has also developed in-house National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited rock mechanics, construction material testing laboratory with high end testing instruments and a sophisticated remote sensing lab. In last one year, NHPC has also developed Geographic Information System (GIS) capabilities in the field of geological investigations. A few R&D projects are also taken up in collaboration with IITs towards effective utilization of these techniques under varied geological conditions.NHPC has in-house capability to carry out detailed topographical survey and other survey works by using latest state-of-art equipments like Electronic total stations, Differential GPS (DGPS) and 3D laser scanner etc. by using latest compatible software in an efficient manner with utmost accuracy in order to develop topographical maps in all required scale. The in-house survey team (having surveyed around 40 projects with more than 40,000 Ha area) has made great contribution in reducing the dependency on Survey of India (SOI) and in saving lot of time and cost.

- **Extensive experience in construction and operation of hydro-electric projects**

  NHPC has extensive experience & expertise in developing hydro-electric projects in complex geological regions by overcoming number of geo-technical challenges using in-house state-of-art technology. It has successfully completed construction of some of the challenging hydro-electric projects in India situated in remote hilly areas with various challenges like inaccessibility, poor logistic, adverse climate and technological hindrances. With its strong team of competent, efficient and experienced professionals, it is capable of executing all types and sizes of hydro-electric projects. Your Company has proven experience in efficient operation of power stations particularly in silt prone Himalayan region. At present, NHPC is successfully operating twenty hydro power stations of different installed capacities, ranging from 44 MW to 690 MW.

- **Strong financial position**

  Your Company has paid-up share capital of ₹ 10,045.03 Crore and an investment base of over ₹ 66,302 Crore as on March 31, 2021. The average Net Profit earned by your company during the last five financial years stands at ₹ 2887.14 Crore with Net Profit Margin of 31.71%. The average EBITDA margin of your company during the last five financial years works out to 61.41%. Your company has Net worth of ₹ 31,647.31 Crore and long-term borrowings of ₹ 21,241.22 Crore as on March 31, 2021. NHPC has highest credit rating i.e., 'AAA' with stable outlook assigned by domestic credit rating agencies i.e., ICRA, CARE and India Rating for its listed bonds. Your company has Debt Equity Ratio of 0.78, Interest Service Coverage Ratio of 8.03 and Debt Service Coverage Ratio of 3.62. The strong financial position of the Company and highest credit credentials empower your company to execute capital intensive large Hydro-electric Projects with borrowings at competitive rates.

- **Strong operating performance**

  Your Company has successfully managed to develop and implement twenty-two hydro-electric projects (including two through its subsidiary company i.e. NHDC Limited), one solar power project and one wind power project with an aggregate installed capacity of 7,071 MW. NHPC with its fleet of power stations is a flagship company in hydro power sector in India.

- **Seismic safety assessment**

  NHPC is totally committed to seismic safety of its power stations. It has developed one of its kind state-of-art centralized real time seismic data center at its Corporate Office for online seismic monitoring of its all power stations. The data center records and provides quick assessment of any earthquake event within the vicinity of respective power stations. An R&D project on Attenuation Relationship has also been initiated in association with IIT Roorkee for development of attenuation relationship for Himalayan region. This is a big step towards risk assessment measures and enables dam safety reviews for each of its power stations. Beside this, in order to collect pre-impounding sample of seismicity data of the project area, specialised seismicity studies like Micro Earthquake (MEQ), are also being carried out for requisite projects to record & monitor the seismic activity.

**(ii) OPPORTUNITIES**

- **Untapped hydro potential**

  India is endowed with significant hydroelectric potential. The deteriorating hydro-thermal mix, peaking shortages and frequency variations have forced policy makers to turn their attention towards the development of hydro power. India's huge untapped hydro potential, especially in the north-eastern region, provides opportunity for the development of hydro power. NHPC with its presence in north-eastern region and its capabilities has an opportunity for capacity addition by tapping hydro potential in coming years.

- **NHPC's continued ability to complete the hydro projects**

  The strength shown by NHPC over the years about its ability to complete the hydro-electric projects, where most of the other companies particularly in private sector are generally failing, is a sign of hope for the hydro sector. As a result, NHPC's forte in the construction of hydro-electric projects is creating new space for its growth. NHPC has opportunity to resume stalled hydro-electric projects of the country by taking over debt-burdened hydro power companies through CIRP process thereby supporting economic growth of the Country. NHPC has already taken over Lanco Teesta Hydro Power Limited (developing Teesta-VI HE Project in Sikkim) and Jalpower Corporation Limited (developing Rangit-IV HE Project in Sikkim) through CIRP process.

- **Renewable Energy**

  Government of India has been emphasizing on speedy development of solar power in potentially solar rich states across the Country. Government of India has targeted to achieve 175 GW capacity of renewable energy by 2022, comprising of 100 GW solar, 60 GW wind, 5 GW of small hydro and 10 GW of biomass and others[1]. This target has been further upscaled to 450 GW capacity by 2030, as announced by Hon'ble Prime Minister of India at U.N. Climate Action Summit. Several measures in the solar power sector

[1] Press Information Bureau, Ministry of New and Renewable Energy, Govt. of India

such as solar park policy, CPSU Scheme, grid-connected rooftop solar plants in conjunction with sharp decline in solar panel costs has made the investment in solar power business highly attractive. NHPC is making its efforts to explore new opportunities for the generation of power through renewable energy projects. MNRE has recently introduced Ultra Mega Renewable Energy Power Parks (UMREPPs) mode under the existing solar park scheme for development of large scale renewable energy projects with the support of Central Financial Assistance (CFA). NHPC is exploring all possible opportunities to develop solar parks/floating solar projects (>50 MW) and to develop solar power projects under CPSU Scheme in various potential rich states such as Odisha, Telangana, Rajasthan etc. to avail the benefit of the schemes of Govt. of India. In the present scenario, NHPC has opportunities for the development/ exploitation of untapped Renewable Energy potential of the Country.

- **Grid Balancing Requirement**

  Hydropower projects are ideal to meet peak load, compared to thermal power plants as they can be swiftly turned on and off. This helps the grid in withstanding fluctuations caused by intermittent supplies from solar and wind. As India plan to add extensive renewable energy capacity in the coming years, hydropower projects will be crucial to stabilize the grid. NHPC generates clean, green and sustainable hydro power which is useful in meeting peak power demand. The present scenario would create opportunities for NHPC to develop hydro power.

**(iii) THREATS/ CHALLENGES /CONCERNS**

- **Time and cost overruns**

  Time and cost overruns is a major concern in the construction of hydro-electric projects. Most hydro-electric projects are generally located in hilly terrain, which are at the receiving end of devastating natural calamities like landslides, hill slope collapses & roadblocks, flood, cloud burst etc. These calamities cause severe setbacks in construction schedule. Further, in-spite of extensive survey and investigation, geological uncertainties may have to be tackled especially in long tunnels such as Head Race Tunnel. NHPC with its rich experience and expertise coupled with state-of-the art technology has overcome such surprises many a times in the past. However, these uncommon and unpredictable geological uncertainties may result in time and cost over-run.

- **Time consuming clearance process:**

  Development of a hydro-electric project requires numnerous statutory as well as non-statutory clearances from various agencies before implementation. Multiple organization and states are generally involved in the clearance process. Therefore, obtaining requisite clearances has been a complex, tedious and time-consuming process and sometimes leads to abnormal delay in the project implementation. Many of the projects get bogged down because of the lengthy clearance procedures.

- **Difficulties in entering into Power Purchase Agreements (PPAs)**

  Sale of energy from projects having higher tariff is getting difficult in present day's power trading scenario. Beneficiaries prefer to purchase their additional power requirement on short term basis through power exchange or e-procurement rather than opting for long term/medium term PPAs. As hydro-electric projects are site specific and its tariff depends on location/design parameters and high initial investment, the tariff for new hydro-electric projects is relatively higher. Due to above reasons, hydro projects face difficulties in dispatch of power from new projects through long term PPA's. It is expected that this issue shall be settled in upcoming projects once measures to promote hydropower sector notified by Govt. of India in March, 2019 are fully implemented.

- **High initial cost/ tariff**

  The development of hydro-electric projects involves long gestation period and require large initial investment which results into high initial tariff. Cash flow and results of operations of hydro-electric projects are also subject to variations as per tariff regulations notified by CERC from time to time. It is expected that this issue shall be settled in upcoming projects once measures to promote hydropower sector notified by Govt. of India in March, 2019 are fully implemented.

- **Opposition to hydro-electric projects**

  Hydro-electric projects in India are also facing opposition by certain pressure groups. This has created an apprehension amongst the hydro-electric project developers as some of their projects are getting stalled.

- **State hydro policies restricting entry of PSUs**

  Several State Governments have their own hydro policies, which favour payment of upfront premium, free power over & above the requisite free power etc. for allocation of hydro-electric projects to the developers. CPSEs are facing difficulties in getting these hydro-electric projects as they require to follow the norms of Government of India.

- **Dependence on few contractors**

  Construction of hydro-electric projects requires manpower, machinery and substantial investment of money. There are very few resourceful contractors in India who have experience in this field and are willing to work in remote and difficult locations where accessibility is a major issue. The limited range of contractors, who are able to perform in the sector, increases our dependency on few contractors.

## 7. RISKS AND CONCERNS

Your Company has a well-defined risk management policy to provide overall framework for the risk management in the company. Key risks which may have detrimental effect on the business of the company, have been identified along-with their mitigation measures and recorded in the risk register. Risk coordinators for each of the risks who are responsible for timely action to manage such risks, are identified. A Board level Risk Management Committee has been constituted to assist the Board in management of key risks, as well as aligning the strategic objectives, within the organization's operations to achieve the intended outcomes. Risk Management Committee further ensures that appropriate systems are in place to manage the identified risks, so that organization's assets are suitably protected.

The Risk Management Committee is assisted by Risk Assessment Committee comprising of Chief Risk Officer and other heads of key departments/regions. Risk Assessment Committee identifies the key risks, suggest mitigation measures and monitor/supervise the implementation of risk management policy. The heads of departments/ regions/ projects/ power stations implement and review the directions issued by Risk Assessment Committee on the identified risks and their mitigation measures.

## 8. OUTLOOK

Your company is one of India's leading hydro power generating companies and is committed to provide affordable and reliable power to support country's rapidly developing economy. Your company is presently engaged in the construction of seven hydroelectric projects with an aggregate installed capacity of 5,894 MW which includes projects being implemented through subsidiary / joint venture companies. Out of above, two hydro-electric projects with an aggregate installed capacity of 2,800 MW are being implemented by NHPC on standalone basis. Further, projects having aggregate installed capacity of 10,787.1 MW are under clearance/approval stage on consolidated basis. NHPC is diversifying its portfolio by taking different renewable energy projects besides venturing into power trading business. NHPC has already commissioned one project each of wind and solar energy. Details of under construction projects, projects under clearance/approval stage and renewable energy projects are given in the Directors' Report.

Your company has taken initiatives to streamline the processes by adopting new technologies in the areas of engineering for its sustainable growth. NHPC has also applied the contemporary practices to reduce construction time delays as well as cost overrun. Presently, operations of all power stations of the company are either semi or fully automated. Construction supervision, post-commissioning monitoring and hurdle free operations are ensured by use of information technology. Many power stations are equipped with advanced distributed control systems along with SCADA systems. NHPC is also looking forward for remote operation of some of its power stations.

## 9. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

Generation of electricity is the principal business activity of the Company. Other operations viz. power trading, contracts, project management and consultancy works do not form a reportable segment as per the Ind AS – 108 on "operating segment". The company has a single geographical segment, as all its power stations are located within the Country.

## 10. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

Your Company has sound Internal Control Systems in place. NHPC has a clearly defined organizational structure, manuals and standard operating procedures to ensure orderly, ethical and efficient conduct of its business. A comprehensive delegation of power from Chairman and Managing Director to down below is in place to assist in smooth decision making, which is periodically reviewed to align it with changing business environment and for speedier decision making.

Your Company has in-house internal audit department headed by a senior officer. In compliance to Section 138 of the Companies Act, 2013, the Board has appointed Shri K.L. Acharyulu, General Manager (Finance) as Chief Internal Auditor of the Company. The internal audit department has qualified and experienced workforce to carry out periodical as well as special audits

The Internal Audit department submits their audit observations and action taken thereon to the Audit Committee. The recommendations of the committee are duly complied. In compliance to Section 134 of the Companies Act, 2013, M/s Arun K. Agarwal & Associates, Chartered Accountants, New Delhi was appointed to provide independent assurance on implementation of Internal Financial Controls in the Company during the financial year 2020-21. The firm, in its report, acknowledged the effectiveness of prevailing internal control systems in the Company.

## 11. FINANCIAL DISCUSSION AND ANALYSIS

### PROFIT & LOSS ITEMS

A detailed analysis of the Audited Financial Results of the Company for the Fiscal 2021 vis-à-vis Fiscal 2020 is as under: -

**Income**

**Table: 1** (₹ in Crore)

| | Fiscal 2021 | Fiscal 2020 |
|---|---|---|
| **Units of electricity generated (in million units)** | 24,235 | 26,113 |
| **Income** | | |
| (i) Sales of Energy | 7,010.44 | 7,430.81 |
| (ii) Income from Finance Lease | 371.62 | 203.65 |
| (iii) Income from Operating Lease | 712.00 | 666.57 |
| (iv) Revenue from Contracts, Project Management and Consultancy Works | 38.52 | 27.88 |
| (v) Revenue from Power - Trading | 216.48 | 239.47 |
| (vi) Other Operating Income | 157.52 | 166.77 |
| **Revenue from operations** [sum of (i) to (vi)] | **8,506.58** | **8,735.15** |
| Add: Other Income | 1,150.81 | 1,036.44 |
| **Total Income** | **9,657.39** | **9,771.59** |

Total income in Fiscal 2021 decreased by 1.17% to ₹ 9,657.39 Crore from ₹ 9,771.59 Crore in Fiscal 2020, primarily due to decrease in generation in Fiscal 2021, decrease in Revenue from Power – Trading partially offset by increase in Revenue from Project Management and Consultancy works, increase in Lease Income and increase in Other Income.

**Sale of Energy**

The principal source of income of the company is from sale of power to bulk customers comprising, mainly of electricity utilities owned by State Governments/ Private Distribution Companies pursuant to long-term Power Purchase Agreements. The rate of electricity are determined Power Station wise by the Central Electricity Regulatory Commission (CERC). The CERC vide its notification no. L-1/236/2018/CERC dated March 07, 2019 has issued Tariff Regulations for the tariff period 2019-24 and subsequent amendments from time to time. Pending approval of tariff for the period 2019-24 by Central Electricity Regulatory Commission (CERC), sales in respect of the Power Stations have been recognized provisionally as per ibid tariff notification and taking into account provision towards truing up of capital cost of the Power Stations in line with CERC Tariff Regulations 2019-24.

In case of Teesta Low Dam-III Power Station, the Company has entered into a supplementary PPA with M/s WBSEDCL for off take of the entire power generated by TLDP-III Power Station for its balance useful life of 35 years on mutually agreed tariff during the year w.e.f. April 01, 2019. Pending approval by CERC, sale has been recognised at the rates agreed upon in the supplementary PPA.

The said regulations inter-alia provides that, for the purpose of filing of tariff petitions, the Return on Equity (ROE), a component of tariff, is to be grossed-up using effective tax rate of the respective Financial Year. For the purpose of recognizing Sales, ROE has been grossed up using effective tax rate for FY 2020-21.

The Tariff Regulations also provide for incentives which comprise of incentives on achieving plant availability factor greater than Normative Annual Plant Availability Factor (NAPAF), incentive for generation of energy in excess of the design energy of the plant (Secondary Energy) as well as incentive by way of deviation charges where the Power Station of the Company contribute towards maintaining grid stability.

Sale includes reimbursement on account of Water Cess in respect of power stations situated in UT of Jammu & Kashmir.

In Fiscal 2021, 24235 MUs of electricity (excluding infirm power of 236 MUs generated by Parbati-II HE Project during FY 2020-21) was generated from installed capacity of 5551 MW as against 26113 MUs (excluding infirm power of 190 MUs generated by Parbati-II HE Project during FY 2019-20) from installed capacity of 5551 MW in Fiscal 2020. Accordingly, there was a decrease of 7.19% in the number of units generated. The average selling price (after adjustment of components of earlier year sales and free power to home state) was ₹ 3.67 per unit for 21,274 million units sold in Fiscal 2021 as against ₹ 3.53 per unit for 22,916 million units sold in Fiscal 2020. During Fiscal 2021, the Company has earned ₹ 762.90 Crore towards incentives against ₹ 810.00 crore in Fiscal 2020.

Sale of energy decreased by 5.66% to ₹ 7,010.44 Crore in Fiscal 2021 from ₹ 7,430.81 Crore in Fiscal 2020 primarily due to less generation in Power Stations. Company's Plant Availability Factor (PAF) in Fiscal 2021 was 84.87% as compared to 84.04% in Fiscal 2020.

**Adjusted Sales of Energy**

The revenue from sales of energy includes sales pertaining to earlier years but recognised in current year and excludes the sales of energy through five number of Power Stations whose sale is now considered as Operating/Finance Lease in terms of Ind-AS Provisions.

As per CERC Tariff Regulations, Exchange Rate Variation on interest payments and Loan repayments corresponding to the normative loans considered for tariff of stations/units is payable/recoverable to/from the beneficiaries on repayment of the loans and interest thereon. Pursuant to the opinion of Expert Advisory Committee of the ICAI, Foreign Exchange Rate Variation on restatement of foreign currency loans as at the Balance Sheet date, payable/recoverable to/from customers later-on on actual settlement, is accounted for by creating a deferred liability/asset in the accounts instead of adjusting the same in the statement of Profit & Loss.

For the purpose of year to year comparison, the impact of earlier year sales has been excluded from sales of energy in order to arrive at the adjusted sales of energy.

The revenue from sales of energy after such adjustments is as under:

**Table: 2** (₹ in Crore)

| | Fiscal 2021 | Fiscal 2020 |
|---|---|---|
| Net Sales (including lease income) | 8,094.06 | 8,301.03 |
| Less: Earlier year sales | 290.99 | 220.50 |
| Adjusted Sales of Energy | 7,803.07 | 8,080.53 |

**Revenue from Contracts, Project Management and Consultancy Works**

The revenue under this head includes revenue from assignments pertaining to Construction Contracts, Project Management & Consultancy Contracts. These assignments primarily include consultancy assignments in respect of Chenab Valley Power Projects Private Limited and Lanco Teesta Hydro Power Limited. The income from contracts, project management and consultancy works increased by 38.16% from ₹ 27.88 Crore in Fiscal 2020 to ₹ 38.52 Crore in Fiscal 2021 due to increase in assignments in Fiscal 2021.

**Revenue from Power – Trading**

The revenue under this head includes revenue from Power Trading activity which the Company ventured into during Fiscal 2019. The revenue from Power - Trading decreased from ₹ 239.47 Crore in Fiscal 2020 to ₹ 216.48 Crore in Fiscal 2021 due to decreased Power Trading activities in Fiscal 2021.

**Other Operating Income**

Other operating income in Fiscal 2021 was ₹ 157.52 Crore i.e. a decrease of 5.55% as against ₹ 166.77 Crore in Fiscal 2020. Components of Other operating income are placed hereunder:

**Table: 3** (₹ in Crore)

| Other Operating Income | Fiscal 2021 | Fiscal 2020 |
|---|---|---|
| Income From Sale of Self-Generated VERs/REC | 1.92 | 1.76 |
| Income on account of generation based incentive (GBI) | 2.96 | 2.53 |
| Interest from beneficiary states | 152.64 | 162.48 |
| **Total** | **157.52** | **166.77** |

## Other Income

Other income in Fiscal 2021 was ₹ 1150.81 Crore i.e. an increase of 11.03% as against ₹ 1036.44 Crore in Fiscal 2020. Major components of Other Income are placed and discussed hereunder:

**Table: 4** (₹ in crore)

| Other Income | Fiscal 2021 | Fiscal 2020 |
|---|---|---|
| Interest on Loan to Govt. of Arunachal Pradesh | 60.82 | 55.80 |
| Interest on Term Deposits/ Investments | 53.36 | 59.66 |
| Dividend (mainly from NHDC-a Subsidiary Co.) | 292.68 | 489.97 |
| Late Payment Surcharge | 532.81 | 259.34 |
| Liability/ Provisions not required written back | 21.82 | 5.22 |
| Income from Insurance Claim | 65.05 | 29.33 |
| Other miscellaneous income | 124.27 | 137.12 |
| **Total** | **1150.81** | **1036.44** |

During Fiscal 2021, ₹ 532.81 Crore was earned as Late Payment Surcharge from beneficiaries, as against ₹ 259.34 Crore during Fiscal 2020.

During Fiscal 2021, ₹ 292.68 Crore was earned as Dividend from investments, mainly from subsidiary company (NHDC Ltd), as against ₹ 489.97 Crore during Fiscal 2020.

## Expenditure

**Table: 5** (₹ in Crore)

| Expenditure | Fiscal 2021 | Fiscal 2020 |
|---|---|---|
| Purchase of Power - Trading | 212.37 | 234.13 |
| Generation Expenses | 854.37 | 901.67 |
| Employee Benefits Expense | 1,409.26 | 1,515.52 |
| Finance Costs | 649.59 | 795.42 |
| Depreciation & Amortization Expense | 1,234.50 | 1,545.34 |
| Other Expenses | 1,425.89 | 1,514.95 |
| **Total Expenditure** | **5,785.98** | **6,507.03** |

Total expenditure decreased by 11.08% to ₹ 5,785.98 Crore in Fiscal 2021 from ₹ 6,507.03 Crore in Fiscal 2020 mainly due to decrease in Purchase of Power- Trading by ₹ 21.76 Crore, decrease in Generation Expenses by ₹ 47.30 Crore, decrease in Other Expenses by ₹ 89.06 Crore, decrease in Finance Cost by ₹ 145.83 Crore, decrease in Employee Benefits Expense by ₹ 106.26 Crore and decrease in Depreciation & Amortization Expense by ₹ 310.84 Crore. Our total expenditure as a percentage of total income was 59.91% in Fiscal 2021 as compared to 66.59% in Fiscal 2020.

## Purchase of Power –Trading

Purchase of Power – Trading consists of expenses on purchase of power for Trading. These expenses represent approximately 3.67% of the total expenditure in Fiscal 2021.

## Generation Expenses

Generation expenses consist of Water Cess and Consumption of stores and spare parts. These expenses represent approximately 14.77% of the total expenditure in Fiscal 2021 compared to 13.86% of the total expenditure in Fiscal 2020. In absolute terms, these expenses were ₹ 854.37 Crore in Fiscal 2021 as against ₹ 901.67 Crore in Fiscal 2020. The decrease of ₹ 47.30 Crore in generation expenses is primarily on account of decreased water cess due to lower power generation at some of the J&K based Power Stations.

## Employee Benefits Expense

Employee benefits expense include Salaries and Wages, Allowances, Incentives, Contribution to Provident Fund, Contribution to Employees Defined Contribution Superannuation Scheme, Impact of wage revision and expenses related to other employee welfare funds. These expenses represent 24.36% of our total expenditure in Fiscal 2021 as against 23.29% in Fiscal 2020. Employee costs has decreased from ₹ 1,515.52 Crore in Fiscal 2020 to ₹ 1,409.26 Crore in Fiscal 2021 i.e. a decrease of ₹ 106.26 Crore in Fiscal 2021. The reduction is mainly due to retirement of 562 employees during Fiscal 2021.

There were 5569 employees on the payroll as of March 31, 2021 compared to 6131 employees as of March 31, 2020. Out of this 3108 and 3501 employees were engaged in Operation & Maintenance areas of our business during Fiscal 2021 & 2020 respectively.

## Finance Costs

'Finance costs' consist of interest expense on bonds and term loans. In books of accounts, borrowings are denominated in Indian Rupees, including amount raised in foreign currencies (Japanese Yen). Finance Cost also includes expenses on account of Guarantee Fees in connection with loans raised from Foreign Market.

Finance Cost represent 11.23% of the total expenditure in Fiscal 2021 compared to 12.22% of the total expenditure in Fiscal 2020. Finance Cost decreased by 18.33% to ₹ 649.59 Crore in Fiscal 2021 from ₹ 795.42 Crore in Fiscal 2020. The decrease in Finance Cost is mainly due to full year capitalization (except for lockdown period i.e. 23.03.2020 to 23.04.2020) of finance cost of Subansiri Lower Project in Fiscal 2021 whereas in Fiscal 2020 first two quarter charged to Profit & Loss and thereafter capitalized, Repayment of loans and change in weighted average rate of interest in Fiscal 2021.

**Depreciation & Amortization Expense**

As per accounting policy of the Company, Depreciation is charged to the extent of 90% of the cost of assets following the rates and methodology notified by CERC vide notification dated 07.03.2019 on straight line method, except for some items on which depreciation is charged to the extent of 95% of the costs of the assets at the rates prescribed in the Companies Act, 2013 or as per rates assessed by Management.

Depreciation cost decreased by 20.11% to ₹ 1,234.50 Crore in Fiscal 2021 from ₹ 1,545.34 Crore in Fiscal 2020. The decrease in depreciation expenses is primarily due to completion of 12 years of life of Dulhasti Power Station and adjustment of depreciation at TLD-III PS which has been accounted as Finance lease in Fiscal 2021.

As a percentage of total expenditure, depreciation & amortization expense decreased to 21.34% in Fiscal 2021 from 23.75% in Fiscal 2020.

**Other Expenses**

Other expenses consist primarily of Repair & Maintenance of Buildings and Plant & Machinery, Security Expenses, Insurance Expenses, Electricity Charges, CSR, Other Administrative Overheads, Provisions etc. These expenses represent approximately 24.64% of the total expenditure in Fiscal 2021 as against 23.28% in Fiscal 2020. In absolute terms, these expenses decreased approximately by 5.88% to ₹ 1425.89 Crore in Fiscal 2021 from ₹ 1514.95 Crore in Fiscal 2020. The decrease of ₹ 89.06 Crore in other expenses is primarily due to decrease in CSR Expenses, Interest to Beneficiary states, Exchange Rate Variation, Travelling & Conveyance Expenses, Security Expenses, R&M Expenses partially offset by increase in Insurance Expenses, losses out of insurance claims and provision made at Parbati-III PS against amount deposited under protest with one of the contractors, etc. which are higher in Fiscal 2021.

**Exceptional Item**

In line with the directions of the Ministry of Power dated May 15 & 16, 2020, the Company has given a one-time rebate of ₹ 185 Crore to DISCOMs and Power Departments of States/ Union territories for passing on to ultimate consumers on account of COVID-19 pandemic. The said rebate has been presented as an "Exceptional item" in the Financial Statements.

**Movements in Regulatory Deferral Account Balances (Regulatory Income)**

In line with the Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India (ICAI) as well as keeping in view the provision of Ind AS 114 – Regulatory Deferral Accounts, 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognized for ₹ 227.09 Crore. This includes Depreciation due to moderation of Tariff in respect of Kishanganga Power Station ₹ 195.51 Crore, Exchange Differences against monetary Items ₹ 1.70 Crore, Adjustment against Deferred Tax Recoverable for tariff period up to 2009 ₹ (-)75.46 Crore and Adjustment against Deferred Tax Liabilities for tariff period 2014-19 ₹ 6.28 Crore, Regulatory Assets recognised against the borrowing cost and other cost incurred during Covid-19 Lock Down Period amounting to ₹ 99.06 Crore which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard. Rate regulated income is recognised in the books of accounts for Fiscal 2021 on account of below mentioned four factors:

**(i) Regulatory Deferral Account balances due to moderation of tariff of Kishanganga Power Station**

The Company has carried out moderation of depreciation as a component of tariff of Kishanganga Power Station to make the tariff saleable which has been allowed by the CERC. This entitles the Company to recover the lower depreciation considered in tariff during the first ten years of operation over the balance useful life of the Power Station. Accordingly, the right to recover the difference between the depreciation charged in the books as per CERC Tariff Regulations, 2019-24 and that recoverable through tariff amounting to ₹ 195.51 Crore during Fiscal 2021 (Fiscal 2020 ₹ 195.62 Crore) has been recognised as Regulatory Income.

**(ii) Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items**

Exchange differences arising on translation/settlement of foreign currency monetary items to the extent charged to the Statement of Profit & Loss and further recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are being recognized as 'Regulatory Deferral Account balances' w.e.f. April 01, 2016. These balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries after Date of Commercial Operation (COD) of the Project.

Accordingly, the Company has created Regulatory Assets and recognised corresponding Regulatory Income of ₹ 1.70 Crore during Fiscal 2021 (Fiscal 2020 ₹ 0.99 Crore), which is recoverable from beneficiaries in future periods.

**(iii) Regulatory Deferral Account balances due to reclassification of deferred tax recoverable/ deferred tax adjustment against deferred tax liabilities**

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff periods 2014-19 and 2019-24, deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid. Till March 31, 2018 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability.

The practice was reviewed in FY 2018-19 based on an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of the ICAI) obtained during that year. As per opinion of the EAC of ICAI, adjustment against Deferred Tax Liability is not a deductible temporary difference resulting into deferred tax asset under Ind AS 12- Income Taxes, but rather fulfils the definition of regulatory deferral account balance in terms of Ind AS 114 - Regulatory Deferral Accounts.

The regulated assets (+)/liability (-) recognized in the books during Fiscal 2021 are as follows:

In respect of deferred tax recoverable for tariff period upto 2009, ₹ 75.46 Crore has been utilized during Fiscal 2021 (Fiscal 2020 ₹ 125.71 Crore) and in respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19), ₹ 6.28 Crore has been recognised as Regulatory Income during Fiscal 2021 (Fiscal 2020 ₹ 69.46 Crore).

**(iv) Regulatory Deferral Account balances due to Borrowings and Other Costs incurred during Covid-19 Lock Down Period**

Due to outbreak of Covid-19 pandemic, Ministry of Home Affairs vide order dated March 24, 2020 imposed a nationwide lockdown to prevent the spread of Covid-19 in the country which was extended from time to time.

During the initial period of lockdown, there was a temporary suspension of major construction activities from March 23, 2020 to April 22, 2020 at Parbati-II Project and from March 23, 2020 to April 23, 2020 at Subansiri Lower Project.

Tariff Regulations for the period 2019-2024 notified by the CERC allows capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events. Accordingly, borrowing and other administrative costs incurred at these projects during the period of temporary suspension of work due to lockdown on account of Covid-19 have been charged to the statement of Profit & Loss and further the same have been recognised as regulatory deferral account balances as under:

**Table: 6** (₹ in Crore)

| Particulars | Amount |
|---|---|
| Parbati-II HE Project | 47.59 |
| Subansiri Lower HE Project | 51.47 |
| **Total** | **99.06** |

**Profit before Tax (including Rate Regulated Income)**

Due to the reasons outlined above, our profit before tax increased by 8.46% to ₹ 3,913.50 Crore in Fiscal 2021 from ₹ 3,608.17 Crore in Fiscal 2020.

**Tax Expenses**

In Fiscal 2021, we provided ₹ 680.13 Crore for tax expenses as compared to ₹ 601.00 Crore in Fiscal 2020. The increase in tax expenses in Fiscal 2021 is on account of increase in current year taxes by ₹ 132.90 Crore which is partially offset by decrease in earlier year tax adjustments by ₹ 21.13 Crore and decrease in deferred tax expenses by ₹ 32.64 Crore.

**Other Comprehensive Income (OCI)**

Other Comprehensive Income (OCI) which comprises Re-measurements of defined benefit plan and Fair value gain/loss in Equity & Debt Instruments in Fiscal 2021 was ₹ 7.20 Crore against ₹ (-) 0.62 Crore in Fiscal 2020.

### Total Comprehensive Income (TCI)

Total Comprehensive Income (TCI) i.e. total profit inclusive of OCI in Fiscal 2021 was ₹ 3,240.57 Crore i.e. an increase of 7.78% as against ₹ 3,006.55 Crore in Fiscal 2020.

### LIQUIDITY AND CAPITAL RESOURCES

Both internal and external sources of liquidity are utilized for Working Capital requirement and funding of capital expenditure requirements. Generally long term borrowings are raised through term loans from banks/ financial institutions or issue of bonds either in Indian Rupees or foreign currencies. Cash and cash equivalents were ₹ 145.57 Crore and ₹ 8.87 Crore as of March 31, 2021 and 2020 respectively.

### Cash Flows

**Table: 7** (₹ in Crore)

| | Fiscal 2021 | Fiscal 2020 |
|---|---|---|
| Net cash inflow/(outflow) from operating activities | 4,509.80 | 2,214.11 |
| Net cash inflow/(outflow) from investing activities | (1,507.34) | (2,896.98) |
| Net cash inflow/(outflow) from financing activities | (2,865.76) | 679.70 |

### Net Cash from operating activities

In Fiscal 2021, the net cash from operating activities was ₹ 4,509.80 Crore and Profit before Tax and Regulated Income but after exceptional items was ₹ 3,686.41 Crore. Net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,234.50 Crore, interest expenses of ₹ 649.59 Crore, ₹ 220.40 Crore towards provisions, ₹ 50.03 Crore towards sales adjustment on a/c of FERV, ₹ 8.69 Crore loss on sale of assets/claims written off, ₹ 48.38 Crore for deferred revenue on account of advance against depreciation, ₹ 21.82 Crore on account of provisions/liabilities not required written back, ₹ 292.68 Crore on account of dividend income, ₹ 680.14 Crore towards interest earned on Deposits/ Investments & Late Payment Surcharge and other non-operating items. Changes in Operating Assets & Liabilities had impact of cash inflow by ₹ 350.37 Crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances and Other Financial Liabilities and Provisions.

The net cash from operating activities was ₹ 2,214.11 Crore in Fiscal 2020. We had net Profit before Tax and Regulated Income but after exceptional items of ₹ 3,264.56 Crore in Fiscal 2020. Our net cash from operating activities had been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,545.34 Crore, interest expenses of ₹ 795.42 Crore, ₹ 155.17 Crore towards provisions, ₹ 42.94 Crore towards sales adjustment on a/c of FERV, ₹ 2.51 Crore loss on sale of assets/claims written off, ₹ 44.72 Crore for deferred revenue on account of advance against depreciation, ₹ 5.22 Crore on account of provisions/ liabilities not required written back, ₹ 489.97 Crore on account of dividend income, ₹ 421.50 Crore towards interest earned on Deposits/Investments & Late Payment Surcharge and other non-operating items. Changes in Operating Assets & Liabilities had impact of cash outflow by ₹ 2016.96 Crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances and Other Financial Liabilities and Provisions.

### Net Cash from Investing Activities

Our net cash used in investing activities was ₹ 1,507.34 Crore in Fiscal 2021. This mainly reflected expenditure on Fixed Assets i.e. Property, Plant & Equipment, Other Intangible Assets & Expenditure on construction projects of ₹ 1,763.89 Crore, ₹ 500.00 Crore towards Investment in Joint Venture and ₹ 280.41 Crore towards Investment in Subsidiaries partly offset by interest income on Deposits/Investments & Late Payment Surcharge by ₹ 743.63 Crore and an amount of ₹ 292.68 Crore towards dividend income.

Our net cash used in investing activities was ₹ 2,896.98 Crore in Fiscal 2020. This mainly reflected expenditure on Fixed Assets i.e. Property, Plant & Equipment, Other Intangible Assets & Expenditure on construction projects of ₹ 2,708.71 Crore and ₹ 140.45 Crore towards Investment in Joint Venture partly offset by interest income on Deposits/ Investments & Late Payment Surcharge by ₹ 386.39 Crore and an amount of ₹ 489.97 Crore towards dividend income.

### Net Cash from Financing Activities

In Fiscal 2021, our net cash outflow from financing activities was ₹ 2865.76 Crore. We raised ₹ 2,327.03 Crore from issue of bonds and sub-ordinate debts received from the Government of India. Borrowings to the tune of ₹ 2,116.14 Crore were repaid. Our cash outflow on account of repayment of lease liability was to the tune of ₹ 3.86 Crore. The amount related to interest servicing was ₹ 1,495.72 Crore. In Fiscal 2021, Total dividend (including dividend tax) amounting to ₹ 1,577.07 Crore was paid.

In Fiscal 2020, our net cash inflow on financing activities was ₹ 679.70 Crore. We raised ₹ 5,967.71 Crore from fresh domestic term loans, foreign loans & bonds. Borrowings to the tune of ₹ 1,715.05 Crore were repaid. The amount related to interest servicing was ₹ 1,332.22 Crore. In Fiscal 2020, Total dividend (including dividend tax) amounting to ₹ 2,237.47 Crore was paid.

**BALANCE SHEET ITEMS**

**Balance Sheet Highlights**

**Assets**

**Table: 8** (₹ in Crore)

| Particulars | As of March 31 | |
|---|---|---|
| | **2021** | **2020** |
| **Non-Current Assets** | | |
| Property, Plant and Equipment, Capital Work in Progress, Right of Use Assets, Investment Property, Intangible Assets | 38,679.02 | 39,393.17 |
| Non-Current Investments | 3,921.68 | 3,400.74 |
| Long Term Loans | 943.27 | 798.65 |
| Other Financial Assets | 4,917.27 | 3,435.91 |
| Non-Current Tax Assets (Net) | 0.00 | 138.90 |
| Other Non-Current Assets | 3,560.71 | 3,035.41 |
| **Total Non-Current Assets** | **52,021.95** | **50,202.78** |
| **Current Assets** | | |
| Inventories | 124.42 | 118.24 |
| Trade Receivables | 3,206.02 | 3,585.12 |
| Cash & Bank Balances | 913.96 | 389.12 |
| Short Term Loans | 48.44 | 46.03 |
| Other Financial Assets | 2,386.12 | 2,932.96 |
| Current Tax Assets (Net) | 165.73 | 127.14 |
| Other Current Assets | 372.08 | 375.91 |
| **Total Current Assets** | **7,216.77** | **7,574.52** |
| Regulatory Deferral Account Debit Balances | 7,063.31 | 6,836.22 |
| **Total Assets and Regulatory Deferral Account Debit Balances** | **66,302.03** | **64,613.52** |

**Equity and Liabilities**

**Table: 9** (₹ in Crore)

| | As of March 31, | |
|---|---|---|
| | **2021** | **2020** |
| **Equity** | | |
| Equity Share Capital | 10,045.03 | 10,045.03 |
| Other Equity | 21,602.28 | 19,938.78 |
| **Non-Current Liabilities** | | |
| Long Term Borrowings | 21,241.22 | 20,889.74 |
| Other Financial Liabilities | 2,054.34 | 2,059.23 |
| Long Term Provisions | 28.38 | 27.66 |
| Deferred Tax Liabilities (Net) | 3,589.36 | 3,641.19 |
| Other Non-Current Liabilities | 2,034.60 | 2,082.65 |
| **Current Liabilities** | | |
| Short Term Borrowings | 726.03 | 714.31 |
| Trade Payables | 201.34 | 304.26 |
| Other Financial Liabilities | 2,925.62 | 2,880.07 |
| Other Current Liabilities | 565.85 | 802.44 |
| Short Term Provisions | 1,252.98 | 1,228.16 |
| Current Tax Liabilities (Net) | 35.00 | 0.00 |
| **Total Equity and Liabilities** | **66,302.03** | **64,613.52** |

**Financial Condition**

**Property, Plant and Equipment (PPE), Capital Work in Progress (CWIP), Right of Use Assets (ROU), Investment Property, Intangible Assets**

Our PPE consisting of Land, Dams, Tunnels, Buildings including Power House Buildings, Construction Equipment, Plant & Machinery, Office Equipment, Computers after Depreciation, were ₹ 19,163.61 Crore and ₹ 21,463.33 Crore as of March 31, 2021 and March 31, 2020 respectively.

Capital Work in Progress which includes Hydraulic Works, Buildings including Power House Buildings, Construction Equipment, Plant & Machinery and S&I works at our power projects were ₹ 17,754.48 Crore and ₹ 16,097.65 Crore as of March 31, 2021 and March 31, 2020 respectively.

Right of Use Assets (ROU) including forest land under right of use and other leased assets were ₹ 1,752.92 Crore and ₹ 1,826.98 Crore as of March 31, 2021 and March 31, 2020 respectively.

Investment Property consists of one piece of land at Bangalore amounting to ₹ 4.49 Crore.

Intangible Assets comprising of computer software were ₹ 3.52 Crore and ₹ 0.72 Crore as of March 31, 2021 and March 31, 2020 respectively.

**Investments**

Investments are intended for long term and carried at cost which consist of Equity investments in Subsidiaries/Joint Venture Companies, Govt. Securities & Bonds. Our total investment was ₹ 3,921.68 Crore and ₹ 3,400.74 Crore as of March 31, 2021 and March 31, 2020 respectively.

The increase in Investment is the net effect of increase in investment in subsidiary companies and investment in one of our Joint Venture Company & increase in fair value of investment in equity instruments.

**Loans (Current & Non-Current)**

Loans include loans to our employees and loan including interest to Govt. of Arunachal Pradesh & National High Power Test Laboratory Limited (NHPTL). Loans as of March 31, 2021 and of March 31, 2020 were ₹ 991.71 Crore and ₹ 844.68 Crore respectively i.e. there is an increase of 17.41 % over figures of previous Fiscal mainly due to increase in loan including interest to Govt. of Arunachal Pradesh & NHPTL and increase in employee loans during Fiscal 2021.

**Other Financial Assets (Current & Non-Current)**

The other financial assets as at March 31, 2021 stood at ₹ 7303.39 Crore against ₹ 6,368.87 Crore for the previous fiscal. i.e. there is an increase of 14.67% over figures of previous Fiscal. Other Financial Assets include Amount recoverable on account of Bonds fully serviced by Govt. of India, Lease rent receivable, Interest income accrued on Bank Deposits, claim recoverable from different agencies, Share Application Money pending allotment, Receivable from Subsidiaries/JVs and Receivable on account of unbilled revenue etc.

The increase of 14.67% in Fiscal 2021 as compared to the figures in Fiscal 2020 is mainly due to increase in Lease rent receivable, Share Application Money pending allotment, claim recoverable from different agencies partially offset by decrease in Receivable on account of unbilled revenue and late payment surcharge.

**Tax Assets (Current & Non-Current)**

Tax assets as of March 31, 2021 and 2020 were ₹ 165.73 Crore and ₹ 266.04 Crore respectively i.e. there is a decrease of 37.70% over figures of previous Fiscal. Tax Assets include Advance Income Tax & Tax Deducted at Source over and above provision for current tax upto FY 2019-20.

**Other Non-Current Assets**

Other non-current assets mainly comprise deferred foreign currency fluctuation assets, advances (Capital as well as Other than Capital) and advance to contractor against arbitration awards. Our other non-current assets as of March 31, 2021 and 2020 were ₹ 3,560.71 Crore and ₹ 3,035.41 Crore respectively. The increase of 17.31% in Fiscal 2021 as compared to the figures in Fiscal 2020 is mainly due to increase in advance to contractor against arbitration awards, increase in advances other than capital advances partially offset by decrease in deferred foreign currency fluctuation assets.

**Inventories**

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹ 124.42 Crore and ₹ 118.24 Crore as of March 31, 2021 and 2020 respectively.

**Trade Receivables**

These consist primarily of receivables against the sale of electricity excluding unbilled revenue. The Trade receivables (net of provision for doubtful debts) as of March 31, 2021 and 2020 were ₹ 3,206.02 Crore and ₹ 3,585.12 Crore respectively. Decrease of 10.57% in trade receivables in Fiscal 2021 as compared to Fiscal 2020 is due to increase in realisation of outstanding dues from beneficiaries.

**Cash and Bank Balances**

Cash and Bank balances as of the Balance Sheet date consist of cash surplus in our current account and Short Term deposits and the unspent advances received from Government entities in respect of costs associated with the Pradhan Mantri Grameen Sadak Yojna Scheme in connection with the development of rural roads and the Rajiv Gandhi Grameen Vidyutikaran Yojana scheme relating to the establishment of Rural Electrification Infrastructure.

Cash and Cash equivalents as of March 31, 2021 and 2020, respectively, were ₹ 145.57 Crore and ₹ 8.87 Crore. The increase of ₹ 136.70 Crore during Fiscal 2021 is net result of cash inflow from operating activities of ₹ 4,509.80 Crore offset by cash outflow on investing activities by ₹ 1,507.34 Crore & ₹ 2,865.76 Crore on account of financing activities respectively.

Bank balances other than Cash and Cash Equivalents as of March 31, 2021 and 2020, respectively, were ₹ 768.39 Crore and ₹ 380.25 Crore.

Our bank balances other than Cash and Cash Equivalents included ₹ 155.81 Crore (Previous Year ₹ 268.78 Crore) held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also included unpaid dividend, unpaid interest & other earmarked balances of ₹ 112.58 Crore (Previous Year ₹ 111.43 Crore) which were not freely available for the business of the Company.

**Other Current Assets**

Other Current Assets mainly comprises Deposit and Advances other than Capital Advances, Prepaid Expenditure and Deferred Foreign Currency Fluctuation Assets. Our other Current Assets, as of March 31, 2021 and 2020 respectively were ₹ 372.08 Crore and ₹ 375.91 Crore, a decrease of 1.02% in Fiscal 2021 as compared to the figures in Fiscal 2020.

**Regulatory Deferral Account Debit Balances**

In line with the Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India as well as keeping in view the provisions of Ind-AS 114-Regulatory Deferral Accounts, 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognized.

Regulatory Deferral Account Debit balances as on March 31, 2021 and March 31, 2020 were as under:

**Table: 10** (₹ in Crore)

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Regulatory Deferral Account balances in respect of Subansiri Lower Project | 3,470.59 | 3,470.59 |
| Wage Revision as per 3rd Pay Revision committee | 631.90 | 631.90 |
| Differential depreciation due to Moderation of Tariff in respect of Kishanganga Power Station | 563.11 | 367.60 |
| Exchange differences on Foreign Currency Monetary items | 1.72 | 0.02 |
| Adjustment against Deferred Tax Recoverable for tariff period upto 2009 | 1,453.56 | 1,529.02 |
| Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 | 843.37 | 837.09 |
| Borrowings and Other Costs incurred during Covid-19 Lock Down Period at Parbati-II and Subansiri Lower Project | 99.06 | 0.00 |
| **Total** | **7,063.31** | **6,836.22** |

**Net worth**

The net worth of the Company at the end of Fiscal 2021 increased to ₹ 31,647.31 Crore from ₹ 29,983.81 Crore in the previous Fiscal registering an increase of 5.55% mainly due to increase in Profit after tax and increase in retained earnings.

**Long Term Borrowings**

Long Term Borrowings mainly comprised of Bonds, Secured Term Loans & Unsecured Loans including Foreign Currency Loans amounting to ₹ 15,679.99 Crore, ₹ 316.00 Crore and ₹ 5,235.00 Crore in Fiscal 2021 as against ₹ 14,532.79 Crore, ₹ 974.00 Crore and ₹ 5,371.87 Crore respectively in Fiscal 2020. The Secured loans include borrowings from domestic banks and financial institutions along with corporate bonds raised in the capital markets that are secured against assets of the company.

The increase in Long Term Borrowing to the extent of 1.68% over previous fiscal is mainly on account of issue of 'AB' & 'AC' Series Bonds partly offset by redemption of bonds and repayment of borrowings.

**Other Financial Liabilities (Current & Non-Current)**

Other Financial Liabilities include Amount payable towards Bonds fully serviced by Govt. of India, current maturities of long term debt, interest accrued but not due on borrowings, EMD/ Retention Money, etc. The other financial liabilities as at March 31, 2021 stood at ₹ 4,979.96 Crore against ₹ 4,939.30 Crore for the previous fiscal i.e. there is an increase of 0.82% over figures of previous fiscal.

**Provisions (Current & Non-Current)**

Provisions include provision for Performance Related Pay, Superannuation/Pension fund, Provision towards employee benefits (actuarial valuation), Provision for Tariff Adjustment, Provision for Wage Revision – 3rd Pay Revision Committee, Provision for Committed Capital Expenditure and Other Provisions etc. Total provisions stood at ₹ 1,281.36 Crore as at March 31, 2021 as against ₹ 1,255.82 Crore for previous fiscal i.e. there is an increase of 2.03 % over figures of previous fiscal.

### Deferred Tax Liabilities

The Deferred Tax Liabilities as at March 31, 2021 stood at ₹ 3,589.36 Crore against ₹ 3,641.19 Crore for the previous fiscal.

### Other Non-Current Liabilities

The Other Non-Current Liabilities as at March 31, 2021 stood at ₹ 2,034.60 Crore against ₹ 2,082.65 Crore for the previous fiscal. Other Non-Current Liabilities include Income received in advance (Advance against Depreciation) and Grants in aid-from Government.

### Short Term Borrowings

The Short term borrowings as at March 31, 2021 stood at ₹ 726.03 Crore against ₹ 714.31 Crore for the previous fiscal. Short term borrowings consist of amount payable to the banks by the beneficiaries on account of bills discounted against trade receivables.

### Trade Payables

The Trade payables as at March 31, 2021 stood at ₹ 201.34 Crore against ₹ 304.26 Crore for the previous fiscal i.e. there is a decrease of 33.83% over figures of previous fiscal.

### Other Current Liabilities

The other current liabilities as at March 31, 2021 stood at ₹ 565.85 Crore against ₹ 802.44 Crore for the previous fiscal i.e. there is a decrease of 29.48% over figures of previous fiscal.

### Current Tax Liabilities

The current tax liabilities as at March 31, 2021 stood at ₹ 35.00 Crore against ₹ Nil for the previous fiscal. This represents excess provision of current tax over and above Advance Income Tax & TDS for FY 2020-21.

## OFF-BALANCE SHEET ITEMS

### Contingent Liabilities

The following table sets forth the components of our contingent liabilities as of Fiscal 2021 and 2020.

**Table: 11** (₹ in Crore)

| Particulars | Fiscal 2021 | Fiscal 2020 |
|---|---|---|
| Claims against the Company not acknowledged as debts in respect of: | | |
| Capital Works | 9,480.36 | 10,069.32* |
| Land Compensation Cases | 235.04 | 137.04 |
| Disputed Tax matters and Other Items | 1,325.22 | 1,308.75* |
| **Total** | **11,040.62** | **11,515.11** |

* Contingent liability amounting to ₹ 74.78 Crore has been reclassified from "Capital Works" to "Others" during Fiscal 2020.

Contingent liabilities decreased by 4.12% from ₹ 11,515.11 Crore as of March 31, 2020 to ₹ 11,040.62 Crore as of March 31, 2021.

## BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARIES/JOINT VENTURE COMPANIES

Highlights of the subsidiaries and joint venture companies of NHPC are as under:-

### NHDC Limited

NHDC Ltd. was incorporated on 01.08.2000 as a Joint Venture of NHPC Ltd. (51.08%) and Government of Madhya Pradesh (48.92%) having authorised share capital of ₹ 3,000 Crore. NHDC has commissioned Indira Sagar Power Project (1,000 MW) and Omkareshwar Power Project (520 MW). The Total Income of NHDC Ltd. for the financial year ended March 31, 2021 and 2020, respectively was ₹ 1,348.42 Crore and ₹ 1,494.57 Crore. The Profit After Tax of NHDC Ltd. for the financial year ended March 31, 2021 and 2020, respectively was ₹ 664.63 Crore and ₹ 940.16 Crore. Paid up share capital of the company is ₹ 1,962.58 Crore of which NHPC's contribution is ₹ 1,002.42 Crore.

### Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited was incorporated on 23.10.2009 as a Joint Venture of NHPC Ltd. (74%) and Government of Manipur (26%) having authorized share capital of ₹ 230 Crore. Paid up share capital of the company is ₹ 132.00 Crore of which NHPC's contribution is ₹ 98.90 Crore. The Company is yet to start operations.

### Bundelkhand Saur Urja Limited

Bundelkhand Saur Urja Limited was incorporated on 02.02.2015, as a Joint Venture of NHPC Ltd. and Government of Uttar Pradesh (UPNEDA), with NHPC's share not less than 74%. The authorized share capital of the company is ₹ 100.00 Crore. Paid up share capital of the company is ₹ 21.98 Crore of which NHPC's contribution is ₹ 16.26 Crore (74.00%). The Company is yet to start operations.

### Lanco Teesta Hydro Power Limited

During the FY 2019-20, NHPC has acquired Lanco Teesta Hydro Power Limited as its wholly owned subsidiary under insolvency resolution process. The acquisition was made as per the resolution plan submitted by NHPC and approved by the National Company Law Tribunal (NCLT). The authorized share capital of the company is ₹ 1500.00 Crore. Paid up share capital of the company is ₹ 970.50 Crore in which 100% contribution has been made by NHPC. The Company is involved in construction of Teesta-VI hydro power project and is yet to start operations.

**Jalpower Corporation Limited (JPCL)**

On 31.03.2021, NHPC has acquired Jalpower Corporation Limited under insolvency resolution process for a consideration of ₹ 165.00 Crore and the Company has become a wholly owned subsidiary of NHPC from that date. The acquisition was made as per the resolution plan submitted by NHPC and approved by the National Company Law Tribunal (NCLT). The authorized share capital of the company is ₹ 200.00 Crore. Total equity of the company as on 31.03.2021 is ₹ 188.15 Crore (including share application money of ₹ 165.00 Crore).The Company is involved in construction of 120 MW Rangit-IV Hydroelectric Project and is yet to start operations.

**Chenab Valley Power Projects Private Limited**

Chenab Valley Power Projects Private Limited was incorporated on 13.06.2011 as a Joint Venture of NHPC Ltd. (49%), Jammu & Kashmir State Power Development Corporation (JKSPDC) (49%) & PTC India Ltd. (2%) having authorized share capital of ₹ 3,500 Crore for execution of Pakal Dul, Kiru & Kwar H.E. Projects with installed capacity of 2164 MW in Chenab River Basin. Paid up share capital of the company is ₹ 2479.78 Crore of which NHPC's contribution is ₹ 1287.85 Crore. The Company is yet to start operations.

**National High Power Test Laboratory Private Limited (NHPTL)**

NHPTL was incorporated on 22.05.2009 as a Joint Venture Company of NHPC Ltd., NTPC Ltd., Power Grid Corporation of India Limited (Power Grid) and Damodar Valley Corporation (DVC) each having 25% of equity participation. During the Fiscal 2013, Central Power Research Institute also entered into the Joint Venture thereby revising the equity participation to 20% of each Joint Venture partner. The Company has been incorporated to set up an Online High Power Test Laboratory for short-circuit test facility in the Country having Authorised Share Capital of ₹ 153 Crore. As on March 31, 2021 paid up share capital of the company is ₹ 152 Crore of which NHPC's contribution is ₹ 30.40 Crore. The company has started commercial operation during Fiscal 2018. For the financial year ended March 31, 2021, the Company incurred a loss of ₹ 19.23 Crore while loss for the financial year ended March 31, 2020 was ₹ 21.37 Crore.

**Consolidated Financial Statements of NHPC Ltd, its Subsidiaries and Joint Venture Companies**

The Consolidated Financial Statements have been prepared in accordance with Ind-AS 110-'Consolidated Financial Statements' and Ind-AS 28-'Investment in Associates & Joint Ventures' which are included in this Annual Report.

A brief summary of the results on a consolidated basis is given below:

**Table: 12** (₹ in Crore)

| Particulars | Fiscal 2021 | Fiscal 2020 |
|---|---|---|
| Total Income | 10,705.04 | 10,776.64 |
| Profit before Tax | 4,483.11 | 3,265.51 |
| Profit after Tax<br>(after adjustment of Non-Controlling Interest) | 3,257.00 | 2,884.92 |

**HIGHLIGHTS OF CONSOLIDATED BALANCE SHEET**

**Table: 13** (₹ in Crore)

| Particulars | Fiscal 2021 | Fiscal 2020 |
|---|---|---|
| Non-Current Assets | 56,423.41 | 54,570.49 |
| Current Assets | 9,369.71 | 9,561.41 |
| Regulatory Deferral Account Debit Balances | 7,363.93 | 7,136.85 |
| **Total** | **73,157.05** | **71,268.75** |
| Total Equity | 35,918.69 | 34,154.68 |
| Non-Current Liabilities | 30,277.49 | 30,066.34 |
| Current Liabilities | 6,203.21 | 6,299.81 |
| Regulatory Deferral Account Credit Balances | 757.66 | 747.92 |
| **Total** | **73,157.05** | **71,268.75** |

**Table: 14 Key Financial Ratios (Standalone basis)**

| S. No. | Ratios | Fiscal 2021 | Fiscal 2020 | % Change |
|---|---|---|---|---|
| 1. | Debtors Turnover Ratio<br>(Net Sales/ Average Debtors) | 1.65 | 1.83 | (-) 9.84% |
| 2. | Inventory Turnover Ratio | Not Applicable | Not Applicable | - |

| | | | | |
|---|---|---|---|---|
| 3. | Interest Service Coverage Ratio (ISCR) #<br>(Profit before Interest, Depreciation and Tax/ Interest) | 8.03 | 7.53 | 6.64% |
| 4. | Debt Service Coverage Ratio (DSCR) #<br>(Profit before Interest, Depreciation and Tax/ Principal repayment and Interest) | 3.62 | 3.41 | 6.16% |
| 5. | Current Ratio<br>(Current Assets/Current Liabilities) | 1.26 | 1.28 | (-) 1.56% |
| 6. | Debt Equity Ratio<br>(Debt/ Net worth) | 0.78 | 0.82 | (-) 4.88% |
| 7. | Operating Profit Margin<br>(Operating Profit/ Net Sales) | 42.19% | 37.49% | 12.54% |
| 8. | Net Profit Margin<br>(Net Profit/ Total Income) | 33.48% | 30.77% | 8.81% |
| 9. | PE Ratio<br>(Market Price Per Share*/ Earning Per Share) | 7.59 | 6.67 | 13.79% |
| 10. | EBITDA<br>(₹ in crore) | 5,718.02 | 5,787.73 | (-) 1.20% |
| 11. | EBITDA Margin<br>(EBITDA/ Total Income) | 59.21% | 59.23% | (-) 0.03% |

# For the calculation of ISCR and DSCR, amount of interest and Principal repayments against the borrowings of the operational projects have been considered.

* Closing Price as on 31st March of respective Fiscal has been consider for Market Price Per Share.

**Return on Net worth (PAT/ Net Worth)**

Return on Net worth of the company at the end of Fiscal 2021 increased to 10.22% from 10.03% in the previous Fiscal 2020 registering an increase of 1.89% mainly due to increase in Profit after tax partially compensated by increase in retained earnings.

## 12. MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

Your Company has a highly talented team of committed professionals and has been able to induct, develop and retain the best talent. NHPC endeavors to acquire the best talent in the Country from leading educational institutions and universities. It has been working towards nurturing and retaining talent by providing opportunities to improve their knowledge and skills. Job rotation and inter-location transfer through-out the organization facilitate planned development of careers and broaden the outlook of employees. Employees' participation has been ensured through information sharing with employees, seeking their support, suggestions and co-operation.

### (i) TRAINING OF EMPLOYEES

Your company organizes various developmental programmes for its employees in the areas of behavioural, managerial skills and core competencies. These progammes organized by the Company are either in-house or through premier management & engineering institutions which helps employees to keep them abreast with the latest developments and changes taking place in the area of their operation. In addition to above, NHPC also sponsors its executives on regular basis to acquire higher qualification and specialization to enhance their productivity and effectiveness.

### (ii) EMPLOYEE STRENGTH

The employee strength of the company as on March 31, 2021 was 5,569 (3,281 executives, 196 supervisors & 2,092 workmen).

### (iii) WELFARE MEASURES FOR WOMEN EMPLOYEES

The number and percentage of women employees as on March 31, 2021 is given at **Table 15**.

**Table 15: Particulars of women employees**

| Total no. of employees as on 31.03.2021 | No. of women employees | % of overall employee strength |
|---|---|---|
| 5,569 | 590 | 10.6 |

**Steps taken for the welfare of women employees:**

- Women employees are regularly nominated to various programmes/seminars on women empowerment and other issues related to women.
- Women employees are eligible for child care leave with pay up to 730 days for taking care of two children up to the age of 18 years (no age limit in respect of child with minimum disability of 40%).
- Women employees have option to declare parents/parents-in-law as their dependents under medical rules.
- Internal Complaints Committees (ICCs) have been constituted at various locations of the Company to examine the grievances/complaints relating to sexual harassment of women employees.
- Women representatives are nominated on selection board/committee constituted for promotion/recruitment of employees.
- Women employees may avail maternity leave as per service rules.
- NHPC Corporate Office, Faridabad has Crèche facility for infants of the employees.
- Relaxations in attendance timings are given to women employees posted at Corporate Office.
- WIPS (Women in Public Sector Forum) Cell has been constituted in Corporate Office.

**(iv) WELFARE MEASURES AND RESERVATION FOR SCHEDULED CASTE (SC), SCHEDULED TRIBE (ST) AND OTHER BACKWARD CLASSES (OBC)**

Your Company is providing reservation and relaxation to SC/ST and OBC candidates in direct recruitment as per guidelines issued by DoPT from time to time. The relaxed standard and reservation is also applicable to SC/ST employees, while considering them for promotion. The management holds periodical meetings with SC/ST/OBC employees for discussing various issues related to them. A SC/ST/OBC Cell has been set up for the welfare of SC/ST and OBC employees headed by separate Liaison Officers. Representation of SC/ST/OBC employees is given at **Table 16**.

**Table 16: Particulars of SC/ST/OBC employees**

| Total no. of employees as on 31.03.2021 | Representation | | | | | |
|---|---|---|---|---|---|---|
| | SC | % age | ST | % age | OBC | % age |
| 5,569 | 816 | 14.65 | 359 | 6.45 | 853 | 15.32 |

**(v) WELFARE MEASURES FOR DIFFERENTLY ABLED EMPLOYEES:**

Representation of differently abled employees is given at **Table 17**.

**Table 17: Particulars of differently abled employees**

| Total no. of employees as on 31.03.2021 | Differently abled employees | | | % of differently abled employees | |
|---|---|---|---|---|---|
| | VH | HH | OH | Total | %age |
| 5,569 | 12 | 3 | 101 | 116 | 2.08 |

VH=Visual Handicap, HH=Hearing Handicap, OH=Orthopedic Handicap

**Steps taken for the welfare of differently abled employees:**

The reservation and relaxation is provided to differently abled candidates/employees in direct recruitment and promotion as per guidelines issued by DoPT/Ministry of Social Justice & Empowerment from time to time. In addition to above, following welfare schemes have also been extended to differently abled employees:-

- Differently abled employees as well as employees who are care giver to dependent child are exempted from rotational transfer. These employees are given option about their preference in place of posting at the time of transfer/promotion.
- Financial assistance is provided to employees (who get physically handicapped while in service) for vocational training.
- Reimbursement of expenses for purchase of hearing aid is given to hearing impaired employees/their dependents.
- Reimbursement of the cost of artificial limbs and interest free loan for it is being given to employees/their dependents.

- Restriction of age is not applicable in respect of physically/mentally retarded children for considering them as dependents.
- Lifetime medical facility to the mentally or physically dependent children having 40% or more of one or more disabilities in respect of retired/deceased employees is being provided under NHPC retired Employees' Health Scheme.

## 13. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL ABSORPTION, RENEWABLE ENERGY DEVELOPMENTS & FOREIGN EXCHANGE CONSERVATION

**(i) Environment Protection and Conservation:**

Your Company has a "Corporate Environment Policy" (CEP) which aims to address the environmental and social concerns for the sustainable development of conventional & non-conventional sources of energy. Major highlights of CEP are to integrate environmental considerations into planning, execution and operation of projects, to undertake the post-construction impact assessment studies and to undertake unique voluntary initiatives beyond statutory obligations. NHPC also makes efforts to create conditions so that economic growth and environmental preservation become compatible in the long run. Environmental Impact Assessment (EIA) for NHPC projects is undertaken during investigation stage to identify probable impacts on environment. Based on the findings of EIA studies, Environmental Management Plans (EMPs) are proposed and implemented to compensate the adverse impacts of the project by taking necessary measures like, compensatory afforestation, catchment area treatment, bio-diversity conservation, green belt development, fishery management, rejuvenation of dumping and quarry sites including resettlement & rehabilitation, etc. Environment and Diversity Management Division has been established at the Corporate Office to monitor and facilitate implementation aspects of environmental safeguard measures at all the projects.

**Compliance under Corporate Environmental Policy:**

Environment Management Cells have been constituted at all projects / power stations of your company, for effective implementation of EMPs and voluntary initiatives. Various voluntary initiatives have been taken up at many NHPC Projects / Power Stations for Waste Management, Water Conservation and Energy Conservation. Six monthly progress reports for various Projects/ Power Stations for period ended March, 2020 and September, 2020 were submitted to Ministry of Environment, Forest and Climate Change (MoEF & CC) and its concerned Regional offices. These reports were also uploaded on the website of the Company i.e. www.nhpcindia.com. The company also conducts post-construction Environment Impact Assessment (EIA) Studies to evaluate the effectiveness of the management plans implemented during the course of construction of the project.

Your Company has conducted Post construction EIA studies in respect of various Power Stations viz. Uri (UT of J&K), Rangit (Sikkim), Dhauliganga (Uttarakhand) and Teesta-V (Sikkim) both through in-house and external agencies. Post construction EIA Study of Loktak Power Station (Manipur) and Uri-II Power Station (UT of J&K) through external agency are under process. NHPC also conducted Sustainability Assessment of Teesta-V Power Station, Sikkim through Sustainability Assessment Protocol of International Hydropower Association (IHA) for operational projects. As per the findings of the assessment, out of 20 parameters on which the Teesta-V Power Station was assessed, it meets basic good practice on all parameters, meets proven best practice on 6 parameters and exceeds basic Good Practice on 9 parameters.

**(ii) Renewable Energy Developments:**

Your company is diversifying its activities to explore renewable energy projects such as solar and wind power projects. The details of renewable energy projects are given in the Directors' Report.

**(iii) Foreign Exchange Conservation:**

In accordance to "Make in India" policy of Government of India, your company is making efforts to encourage the participation of local firms in the bidding process. The participation of local firms as well as Micro & Small Enterprises helps in conservation of foreign exchange and growth of Indian industry at large.

**(iv) Technology Absorption:**

Information regarding technology absorption has been included in Annexure-IV to the Directors' Report.

## 14. CORPORATE SOCIAL RESPONSIBILITY

Information regarding Corporate Social Responsibility has been included in the Directors' Report.

## 15. CAUTIONARY STATEMENT

The views and forward-looking statements contained in this report are based on reasonable assumptions and subject to certain risks and uncertainties that could cause actual results to differ from those reflected in such statements.

Readers are requested to review and confirm with other information in this report and in the company's periodic reports. The company undertakes no obligation to publicly update or revise any of these forward-looking statements whether as a result of new information, future events or otherwise. The financial figures shown above are based on the audited results of the Company.

**For and on behalf of the Board of Directors**

**(Abhay Kumar Singh)**
**Chairman and Managing Director**
**DIN 08646003**

Date: August 27, 2021
Place: Faridabad

# DISCLOSURE REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014:

## A. CONSERVATION OF ENERGY

**(i) Steps taken or impact on conservation of energy**

- Energy audit of eighteen power stations has been carried out in the past to assess the efficiency of electrical equipments like generators, transformers etc. and to recommend the energy saving measures. The recommendations of audit were successfully implemented in thirteen power stations.
- Your company is replacing different types of conventional light fittings CFL, FTL, conventional indoor light fittings with high efficacy / lumen level and less wattage LED light fitting as an energy conservation measures. Further, old/ un-stared appliances have been replaced with Energy efficient appliances with maximum available star rating.

**(ii) Steps taken by the company for utilizing alternate sources of energy**

Roof-top solar power panels of cumulative capacity of 2679.7 KWp have been installed at various locations of the Company. Further, installations of 1504 KWp roof top solar power projects at various locations of the Company are in progress.

**(iii) Capital investment on energy conservation equipments**

₹ 309.55 lakhs.

## B. TECHNOLOGY ABSORPTION

**(i) Efforts made towards technology absorption**

**a) R&D projects completed in FY 2020-21**

- NHPC has utilized space technology for Remote Sensing Based Sedimentation studies for Teesta-IV HE project through National Remote Sensing Centre (NRSC), Hyderabad. The study has been conducted to generate the spatial layers on geological parameters, land use, soil and topography using multi-temporal satellite data to assess the sediment loads in the Teesta-IV HE project catchment area. The work was started in January, 2017 and has been completed in January, 2021. Final project report has been submitted by NRSC, Hyderabad.
- NHPC has conducted a study on "checking the suitability of available fly ash sources in India for use in roller compacted concrete Dams". The study helped to identify the physical and chemical requirements and criteria of fineness from samples of fly ash collected from different Super Thermal Power Stations as specified in IS code 3812 (part 1).
- NHPC has conducted a study on "identification of suitable substitute for fly ash so that the same can be considered for roller compacted concrete Dams". The study helped to identify physical and chemical requirements as specified in IS code 12089:1987 from the sample of Ground Granulated Blast Furnace Slag (GGBFS) collected from SAIL India – Bokaro Steel Plant, SAIL India- Durgapur Steel Plant, SAIL India- IISCO Steel Plant and TATA Steel Limited, Jamshedpur. The Study recommended the use of GGBFS.
- Power Patch leak repair system has been carried out for providing fast and effective "in-field" leak repair without any generation loss for repair of Minor Oil leakage in GSU Transformers of Chamera-II Power Station
- Development of software for Power Potential Studies has been completed. The developed software provides a uniform platform to carry out Power Potential studies (PPS) and finalize important parameters of the planned Hydroelectric Project. It will also be helpful for concurring authorities (CEA, CWC etc.) and would save manual checking resulting in faster approvals.

**b) On-going R&D Projects**

- NHPC is conducting study on evaluation of abrasion resistance of repair mortars as per EN1504-3 class R4 for repair of many eroded hydraulic structure components like spillway piers, face slab of CFRD and tunnel linings etc. Study is being conducted through National Council for Cement and Building Materials (NCCBM), Ballabhgarh.
- NHPC is conducting studies for understanding the flow characteristics and cavitations profiles for minimum damage to spillway profiles. Hydraulic studies including studies related to cavitation in high head spillway by Computational Fluid Dynamics (CFD) software FLOW3D for Subansiri lower HE Project is under progress in collaboration with Central Water and Power Research Station (CWPRS), Pune.
- NHPC has installed the Online Cavitation Monitoring System at Teesta-V Power Station in collaboration with M/s GE Power India Limited. This measurement can help in monitoring of cavitation in under water component of hydro turbine resulting in lesser down time of generating units.
- NHPC is conducting study for monitoring Hydro abrasive erosion and suspended sediment for optimal operation of hydro power plant. The studies are being conducted through IIT Roorkee in Bairasiul Power Station.
- NHPC is conducting study on "Numerical and physical model studies for elimination of desilting basins in hydroelectric projects by sediment management through reservoir operation techniques" in association with CWPRS, Pune.
- Study for analysis of strong motion accelerograph data recorded at NHPC Power Station for development of site specific peak ground acceleration attenuation relationship for Himalayan region is being carried out. The study is being conducted through Department of Earthquake Engineering, IIT- Roorkee, which is also providing online training related to data handling and catalogue preparation for this project.
- Optimization of Earthmat Design by Resistivity Imaging Technique is being carried out, which has a critical role in economic design and in achieving the desired earthmat resistance with respect to ground.
- Targeted Solution through emerging Geophysical Technology in Resistivity Imaging & Ground Penetration Radar and Targeted Solution through emerging Geophysical Technology in Seismic Tomography for optimization of Geological uncertainties in Hydro Power Projects is being carried out.
- Post Project Environmental Evaluation of Rangit HE Project, Sikkim and assessment on socio-economics of Sewa-II HE Project, J&K is being carried out using Remote Sensing and GIS Technology.
- Measurement of Green House Gas (GHG) emissions from Reservoir of Chamera-I Power Station on Ravi River in Himachal Pradesh is being carried out.
- Inflow forecasting system for Chamera-III Power Station is being developed. The consultancy work has been awarded to IIT Roorkee.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution**

As efforts made towards technology absorption are in initial stages, benefits are expected to be derived after completion of studies and actual implementation.

**(iii) Particulars of technology imported during the current year and last three years**

NIL

**(iv) Expenditure incurred on Research and Development :-**

Expenditure incurred on Research and Development during the financial year 2020-21 was ₹ 9.24 Crore including ₹ 7.15 Crore towards establishment expenses.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Crore)

| S. No. | Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|---|
| a)* | Expenditure in Foreign Currency: | | |
| | i) Interest | 26.50 | 25.29 |
| | ii) Other Misc. Matters | 5.26 | 81.28 |
| b)* | Value of spare parts and Components consumed in operating units: | | |
| | i) Imported | - | - |
| | ii) Indigenous | 19.78 | 18.74 |

*Accrual basis

**For and on behalf of the Board of Directors**

**(Abhay Kumar Singh)**
**Chairman and Managing Director**
**DIN 08646003**

**Date: August 27, 2021**
**Place: Faridabad**

**Annexure-V**

# BUSINESS RESPONSIBILITY REPORT

## Section A: General information about the Company

1. **Corporate Identity Number (CIN) of the Company**

   L40101HR1975GOI032564

2. **Name of the Company**

   NHPC Limited

3. **Registered address**

   NHPC Office Complex, Sector-33,
   Faridabad, Haryana-121003 (India)

4. **Website**

   www.nhpcindia.com

5. **E-mail id**

   brr@nhpc.nic.in

6. **Financial Year reported**

   2020-21

7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

| *Group | Class | Sub-Class | Description |
|---|---|---|---|
| 351 | 3510 | 35101 | Electric power generation by hydroelectric power plants. |
| * As per classification under National Industrial Classification, Central Statistical Organization, Ministry of Statistics and Program Implementation, Government of India, New Delhi | | | |

8. **List three key products/services that the Company manufactures/ provides (as in balance sheet).**

   (i) Energy (Hydro Power, Wind Power & Solar Power)

   (ii) Consulting Services

   (iii) Power Trading Business

9. **Total number of locations where business activity is undertaken by the Company**

   **9.1. Number of International Locations (Provide details of major 5)**

   - NHPC had business presence in Bhutan, where it provided consultancy services for Engineering and Design of Mangdechhu HE Project (720 MW) to Mangdechhu Hydroelectric Project Authority (MHPA). The assignment has been successfully completed in June 2020.
   - NHPC exchanged "Letter of Intent" with HIDCL (Hydroelectricity Investment and Development Company Ltd. – A company owned by Govt. of Nepal) during 'Power Summit 2019' organized in November 2019 at Kathmandu, Nepal for joint co-operation on development of hydropower in Nepal. Subsequently, NHPC and HIDCL have signed a broad based MOU for cooperation in the development of hydropower projects in Nepal on 22.06.2020, with MOU validity upto 20.12.2021. NHPC is pursuing HIDCL for allocation of hydropower projects available with the Govt. of Nepal.

   **9.2. Number of National Locations**

   We have 22 power stations and 2 construction projects in 10 states/UTs across the country.

| States/ UTs | Location/ District | |
|---|---|---|
| | Under Operation | Under Construction |
| Union Territory of J&K | Baramulla (2), Kathua, Reasi, Kishtwar, Bandipora | - |
| Union Territory of Ladakh | Kargil, Leh | - |
| Himachal Pradesh | Chamba (4) and Kullu | Kullu |
| Uttarakhand | Champawat, Pithoragarh | - |
| West Bengal | Darjeeling (2) | - |
| Arunachal Pradesh | - | Lower Subansiri / Dhemaji (Assam) |
| Sikkim | East Sikkim, South Sikkim | - |
| Manipur | Bishnupur | - |
| Rajasthan | Jaisalmer | - |
| Tamilnadu | Dindigul | - |

**10. Markets served by the Company – Local/ State/National/International**

NHPC is the leading producer of hydroelectricity in India. Electricity generated through various power plants of NHPC is sold to beneficiary DISCOMs in various States/ UTs. NHPC has also ventured into Power Trading Business in FY 2018-19 and sold power to various DISCOMs procured from other generators. In FY 2020-21 following States/ UTs have been served by NHPC:

| | | |
|---|---|---|
| Union Territory of J&K | Rajasthan | Assam |
| Union Territory of Ladakh | Uttar Pradesh | Sikkim |
| Himachal Pradesh | Madhya Pradesh | Manipur |
| Punjab | Chhattisgarh | Arunachal Pradesh |
| Chandigarh | Odisha | Mizoram |
| Uttarakhand | West Bengal | Tripura |
| Haryana | Bihar | Nagaland |
| Delhi | Jharkhand | Tamilnadu |
| Andhra Pradesh | | |

In addition to above, 14 MW Power is supplied to Nepal from Tanakpur Power Station under Mahakali Treaty of MEA.

## Section B: Financial Details of the Company

**1. Paid up Capital (INR)**

INR 10045.03 Crores (as on 31.03.2021)

**2. Total Turnover (INR)**

INR 8506.58 Crores (during FY 2020-21)

**3. Total profit after taxes (INR)**

INR 3233.37 Crores (during FY 2020-21)

**4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**

During FY 2020-21, an expenditure of ₹ 79.63 Crores has been incurred by NHPC on CSR, which is 2.68 % of average net profit (as per section 198 of Companies Act, 2013) of last 3 financial years.

**5. List of activities in which expenditure in 4 above has been incurred.**

- Education & Skill Development
- Healthcare & Sanitation (incl. Swachh Bharat Abhiyan activities)
- Rural Development
- Environment & Sustainability
- Women Empowerment & Senior Citizen
- Capacity Building, Sports, Art & Culture and other initiatives.
- Disaster Management

## Section C: Other Details

**1. Does the Company have any Subsidiary Company/ Companies?**

Yes. NHPC Limited has six Subsidiary Companies as on 31.03.2021, namely:

i. NHDC Limited

ii. Loktak Downstream Hydroelectric Corporation Limited

iii. Bundelkhand Saur Urja Limited

iv. Chenab Valley Power Projects Private Limited

v. Lanco Teesta Hydro Power Limited

vi. Jalpower Corporation Limited

**2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

No. The subsidiary companies do not participate in any of the BR initiatives of the parent company.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

None of the entities, that the company does business with, participate in its BR initiatives.

## Section D: BR Information

**1. Details of Director/Directors responsible for BR**

1.1. Details of the Director/Directors responsible for implementation of the BR policy/ policies

- DIN: 08645380
- Name: Mr. R P Goyal
- Designation: Director (Finance)

1.2. Details of the BR head

- DIN: Not Applicable
- Name: Mr. Tapas Sinha
- Designation: GM-I/c (Planning)
- Telephone Number: (0129) 2278022
- Email Id: tapassinha@nhpc.nic.in

2. **Principle-wise (as per NVGs) BR Policy/policies:-**

a) **Details of compliance (Reply in Y/N)**

| Sl. No. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Do you have policy/policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3 | Does the policy confirm to any national/ international standards? If yes, specify?(The policies are based on the NVG guidelines in addition to conformance to the spirit of international standards like ISO 9001, ISO 14001 and OHSAS 18001) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5 | Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6 | Indicate the link for the policy to be viewed online?* | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8 | Does the Company have in-house structure to implement the policy/policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10 | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | Y | Y | Y |

* Weblink for relevant policies to be viewed online is as under:

| Policy | | Weblink |
|---|---|---|
| CSR & sustainable development policy | : | www.nhpcindia.com/csr-policy.htm |
| Fraud Prevention & Detection Policy | : | www.nhpcindia.com/writereaddata/images/pdf/NHPCFraudPrevention-Detectionpolicy-may16.pdf |
| Resettlement & Rehabilitation Initiatives | : | www.nhpcindia.com/r-and-r-initiative.htm |
| Whistle Blower Policy | : | www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf |
| Policy for Banning of Business dealings | : | www.nhpcindia.com/writereaddata/images/pdf/Guidelines-BanningofBusinessDealings-Revised.pdf |
| Corporate Governance compliance | : | www.nhpcindia.com/corporate-governance.htm |
| Integrity pact | : | http://www.nhpcindia.com/writereaddata/images/pdf/ip_ip_program.pdf |

| Policy | | Weblink |
|---|---|---|
| Code of Business Conduct and Ethics | : | http://www.nhpcindia.com/code-of-conduct.htm |
| Corporate Environment Policy | : | http://www.nhpcindia.com/writereaddata/Images/pdf/EnvironmentPolicy-16.pdf |
| Integrated Management System Certificate (ISO 9001:2015) | : | www.nhpcindia.com/writereaddata/Images/pdf/ISO-9001-2020-2023.pdf |
| Integrated Management System Certificate (ISO 14001:2015) | : | www.nhpcindia.com/writereaddata/Images/pdf/ISO-14001-2020-2023.pdf |
| Integrated Management System Certificate (ISO 45001:2018) | : | www.nhpcindia.com/writereaddata/Images/pdf/ISO-45001-2020-2023.pdf |

Besides above, Social Accountability Policy (SA 8000) and NHPC Conduct, Discipline and Appeal Rules are available over the Company's intranet.

**b) If answer to the question at S. No. 2a) against any principle, is 'No', please explain why:**

| Sl. No. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | The Company has not understood the Principles | Not Applicable | | | | | | | | |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

**3. Governance related to Business Responsibility**

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The BR performance of the Company is assessed annually at the end of Financial Year.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This Business Responsibility Report is a part of Annual Report 2020-21. The Annual Report can be accessed at http://www.nhpcindia.com/NHPC-annual-reports.htm.

## Section E: Principle-wise performance

### Principle 1

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

The company considers Corporate Governance norms as an integral part of good management. The Company has a Code of Business Conduct and Ethics, which is applicable to its Board Members and senior management personnel as per Code issued vide NHPC Circular dated 20.11.2014. In addition, the company has a Fraud Prevention & Detection Policy to prevent fraud or suspected fraud. The policy applies to any fraud, or suspected fraud involving employees of NHPC Ltd. (all full time, part time or employees appointed on adhoc/temporary/contract basis) as- well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency (ies) doing any type of business with NHPC Ltd.

NHPC Ltd. has also adopted Whistle Blower policy, which is applicable to all employees, directors and contractors of the company as well as the vendors interacting with NHPC Ltd.

Further, the company has implemented an Integrity Pact for all the procurement works of the value of ₹ 1 Crores and more, procurement of services of the value of ₹ 15 lacs and more and for procurement of goods of the value of ₹ 7 Lacs and more. In addition, NHPC also has policy and procedure in place for banning business dealings with bidders (i.e. Suppliers / Contractors) in the event of an unethical behaviour. This is applicable for NHPC Ltd. only.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The status of Complaints received in FY 2020-21 is as below:

A) Corporate Governance norms and code of business conduct and ethics.

The numbers of shareholder's complaints available are as follows:

| Description | Opening Balance as on 01.04.2020 | Received During the Year 2020-21 | Resolved During the Year 2020-21 | Pending as on 31.03.2021 |
|---|---|---|---|---|
| Non-receipt of refund orders | 0 | 0 | 0 | 0 |
| Non-receipt of dividend warrants | 0 | 3119 | 3119 | 0 |
| SEBI Complaints | 0 | 17 | 17 | 0 |
| Stock exchange complaints | 0 | 4 | 4 | 0 |
| Consumer forum/ Court cases | 2 | 0 | 0 | 2 |
| Advocate Notices | 0 | 0 | 0 | 0 |
| **Total** | **2** | **3140** | **3140** | **2** |

100% shareholders complaints received during FY 2020-21 were resolved satisfactorily by Management.

B) The numbers of Bondholder's complaints available are as follows:

| Description | Opening Balance as on 01.04.2020 | Received During the Year 2020-21 | Resolved During the Year 2020-21 | Pending as on 31.03.2021 |
|---|---|---|---|---|
| Non-receipt of refund orders | 0 | 0 | 0 | 0 |
| Non-receipt of TDS Certificate | 0 | 0 | 0 | 0 |
| Non-receipt of Electronic Credit | 0 | 0 | 0 | 0 |
| Non-receipt of Interest Warrants | 0 | 138 | 138 | 0 |
| Non-receipt of Bonds/ Securities | 0 | 10 | 10 | 0 |
| **Total** | **0** | **148** | **148** | **0** |

100% Bondholder's complaints received during FY 2020-21 were resolved satisfactorily by Management.

C) Status of complaints under NHPC Whistle Blower Policy during the FY 2020-21 is as under:

| Total number of complaints received during the FY- 2020-21 | Total number of complaints disposed during the FY 2020-21 | Number of complaints pending as on 31.03.2021 |
|---|---|---|
| 0 | 0 | 0 |

D) The company have observed 20 (twenty) cases of fraudulent practices/ misrepresentation/ poor performance etc. categorised under guidelines for Banning of Business dealing in respect of Bidders/ Contractor/ Supplier whose period of banning was falling during F.Y. 2020-21, details of which are as under:

i) M/s Mithila Malleables Pvt. Ltd. banned for 05 (five) years from 29.06.2017 across NHPC.

ii. M/s Agro Auto Grind Engineers (P) Ltd banned for 03 (three) years from 03.04.2018 across NHPC.

iii. M/s Cee Dee Vacuum Equipment Pvt. Ltd. banned for 03 (three) years from 19.04.2018 for Corporate Office.

iv. M/s Elcome Technologies Pvt. Ltd. banned for 03 (three) years from 05.12.2018 for Corporate Office.

v. M/s Geo Max Positioning Systems Pvt Limited banned for 03 (three) years from 05.12.2018 for Corporate Office.

vi. M/s Mainframe Energy Solutions Private Limited banned for 02 (two) years from 15.02.2019 across NHPC.

vii. M/s Valecha Engineering Limited banned for 05 (five) years from 19.08.2019 across NHPC.

viii. M/s M. S. Services Pvt. Limited banned for 02 (two) years from 08.07.2019 for RO Chandigarh.

ix. M/s Panwar Construction Company banned for 01 (one) year from 02.08.2019 for RO Chandigarh.

x. M/s Arihant Analytical Laboratory Pvt. Ltd. banned for 03 (three) years from 23.08.2019 for Corporate Office.

xi. M/s ADS Enterprises banned for 02 (two) years from 04.11.2019 for RO Chandigarh.

xii. M/s Godawari Farms & Services banned for 02 (two) years from 29.11.2019 for Corporate Office.

xiii. M/s Apaar Infratech Pvt. Ltd. banned for 05 (five) years from 16.12.2019 across NHPC.

xiv. M/s Helpline Facility Management Pvt. Ltd., Noida banned for 03 (three) years from 16.12.2019 for Corporate Office.

xv. M/s Mahindra Susten Pvt. Ltd. banned for 06 (six) months from 09.03.2020 across NHPC.

xvi. M/s Yellow 2Gen Energy Pvt. Ltd. banned for 06 (six) months from 09.03.2020 across NHPC.

xvii. M/s Raja Parvaiz Khan banned for 06 (six) months from 18.04.2020 for Uri-II Power Station.

xviii. M/s Dileep Kumar banned for 02 (two) years from 15.06.2020 across NHPC.

xix. M/s Arya Construction Company banned for 06 (six) months from 15.06.2020 across NHPC.

xx. M/s Tech Tools Engineers banned for 02 (two) years from 01.03.2021 across NHPC.

**Principle 2**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Hydro power generation.

**2. For each such product, provide the details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

Hydroelectric projects generate electricity by non-consumptive use of water so there is no reduction of resources. Hydropower is a renewable source of energy.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The company emphasizes to establish good relationship with its vendors and include them in its growth story. The company follows International Competitive Bidding (ICB) system for selecting agencies for executing the construction of Hydro Power Projects. The techno-commercial bids are examined in line with ICB practices, CVC guidelines and various other vendor practices like safe working conditions, implementation of labour laws, environment policies etc. Directions of Govt. of India under Public Procurement (Preference to Make in India), Order 2017 with latest amendments is being complied with. The company officials interact with all agency/ agency's representatives on regular basis in a transparent manner.

However, it is difficult to ascertain the percentage of inputs sourced from these suppliers as different kinds of materials are being used by the company.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Hydropower generation only requires non consumptive use of water as input. However, various Contracts have been entered with locals around project for vehicle hiring, material handling, housekeeping, waste handling and horticulture etc. These Contracts have led entrepreneur development around project sites and have created indirect employment for local people. Reservation of works and services has been made for Project Affected Families (PAFs) and Locals alongwith preferential provisions for Micro and Small Enterprises and Start-Ups, in bidding and award of procurement of services and goods with special preference for Micro and Small Enterprises owned by SC/ ST and Women Entrepreneurs.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

   Hydroelectric power generation does not produce any waste. Electricity which is the product of hydroelectric power plants is produced by non-consumptive use of water. Further, sound & optimal design practices are being followed to build safe & sustainable structures for our projects.

**Principle 3**

1. **Please indicate the Total number of employees.**

   Total number of employees as on 31.03.2021 is 5569.

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

   NHPC does not directly employ contract employees.

3. **Please indicate the Number of permanent women employees.**

   Total number of permanent women employees as on 31.03.2021 is 590.

4. **Please indicate the Number of permanent employees with disabilities.**

   Total number of permanent employees with disabilities as on 31.03.2021 is 116.

5. **Do you have an employee association that is recognized by management?**

   No formal recognition has been extended to any association or union from the Corporation.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Not Applicable

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| | |
|---|---|
| Number of complaints relating to child labour, forced labour, involuntary labour in 2020-21 and pending, as of end 2020-21. | None received in this category and none pending. |
| Number of complaints relating to sexual harassment in 2020-21 and pending, as of end 2020-21. | One received in this category and one pending. |
| Number of complaints relating to discriminatory employment in 2020-21 and pending, as of end 2020-21. | None received in this category and none pending. |

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Percentage of employees who underwent safety and skill up-gradation training in FY 2020-21 is as below:

| | | |
|---|---|---|
| (a) Permanent Employees | - | 92% |
| (b) Permanent Women Employees | - | 7% |
| (c) Casual/Temporary/ Contractual Employees | - | Nil |
| (d) Employees with Disabilities | - | 1% |

**Principle 4**

1. **Has the company mapped its internal and external stakeholders? Yes/No**

Yes. We have mapped and identified internal and external stakeholders, including disadvantaged, vulnerable and marginalized stakeholders. Our stakeholders include- employees, customers, local communities, suppliers and contractors, investors and shareholders, government and regulators and peers and industry ecosystem.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Our disadvantaged and vulnerable stakeholders include differently-abled employees, girl / women, SC/ST communities and rural / project displaced communities in and around our projects.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

- Differently-abled employees: Company endeavours to make NHPC a workplace which is conducive to differently abled employees and employees with special needs. It aims to make these employees self-confident through an array of events, forums and trainings specifically crafted for their benefit.

- Girl / women and SC/ST communities: In the vicinity of project locations the company provides scholarship to SC/ST & girl students for education and facilitating literacy programmes in rural areas.

**Principle 5**

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The company commits to conduct its business in a socially and ethically responsible manner by conforming to all the requirements of SA 8000 standard. Currently, the "NHPC Conduct, Discipline and Appeal Rules" is applicable to only our employees, though we expect our stakeholders to adhere and uphold the standards contained therein. The "NHPC Conduct, Discipline and Appeal Rules" are meant to protect any employee right or privilege to which he is entitled, by or under any law for the time being in force, or by the terms and conditions of service or any agreement subsisting between such employee and the company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The number of complaints as available with Employee Grievance Redressal Cell is as under:

| Opening balance on 01.04.2020 | Received during the Year 2020-21 | Resolved during the Year 2020-21 | Closing balance as on 31.03.2021 |
|---|---|---|---|
| 05 | 27 | 24 | 08 |

88.89% complaints received in Employee Grievance Redressal Cell in FY 2020-21 were satisfactorily resolved by the management.

The number of Public Grievances as per "Centralised Public Grievance Redressal & Monitoring System" linked with Ministry of Power is as under:

| Opening balance on 01.04.2020 | Received during the Year 2020-21 | Resolved during the Year 2020-21 | Closing balance as on 31.03.2021 |
|---|---|---|---|
| 05 | 99 | 97 | 07 |

97.98% Public Grievances as per "Centralised Public Grievance Redressal & Monitoring System" linked with Ministry of Power, received in FY 2020-21 were satisfactorily resolved by the management.

**Principle 6**

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others**

   NHPC possesses Integrated Management System certificate, which covers quality, environment and occupational health & safety management system for its Corporate Office and projects/ power stations.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, the company is in the business of power generation through Hydropower, Solar & Wind Energy, which produces clean power and reduces greenhouse gases compared to other conventional mode of power generation. Hydropower also enhances energy security of the country where there is deficit of energy and shortage to meet peak demand.

   Besides this, NHPC is an Integrated Management System (IMS) certified company, which addresses the requirements of International Standards ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health and Safety Management System). IMS certification truly reflects its international acceptability for the efforts put in for carrying out the development in an environmentally congenial manner.

   NHPC has also formulated its Corporate Environment Policy (CEP) which aims to address the environmental and social concerns for sustainable development of conventional & non-conventional sources of energy. Besides implementation of approved Environment Management Plans, various environmental conservation and protection measures are also taken up under Voluntary Initiatives such as Voluntary Afforestation, Waste Management, Water Conservation and Energy Conservation. Under CEP, Environment Management Cells have been constituted at Projects/ Power Stations, for effective implementation of Environment Management Plans and Voluntary Initiatives.

   Few key areas of focus for NHPC in the field of Environmental Management are as under:

   i. Catchment Area Treatment (CAT)
   ii. Compensatory Afforestation/ Voluntary Afforestation
   iii. Green Belt Development & Landscaping
   iv. Reservoir Rim Treatment
   v. Rejuvenation of Muck Dumping and Quarry sites
   vi. Biodiversity Conservation
   vii. Conservation and Management of Fishes
   viii. Post Construction Impact Evaluation

   The details of these key areas are available at www.nhpcindia.com/key-areas.htm

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, NHPC is committed to hydropower generation in a sustainable manner. Environmental Impact Assessment (EIA) is undertaken during Detailed Project Report (DPR) preparation stage to identify probable impacts (positive as well as negative) on environment. Based on the findings of the EIA, Environmental Management Plans (EMP) are proposed and implemented during project construction to minimize adverse impact.

4. **Does the company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?**

   Yes, two hydroelectric power projects of NHPC namely Nimoo Bazgo and Chutak located in the UT of Ladakh were registered under Clean Development Mechanism (CDM) of United Nations Framework Convention on Climate Change (UNFCCC). After compliance of CDM guidelines of UNFCCC, Certified Emission Reductions (CERs) have been issued by CDM Registry Administrator, UNFCCC for Chutak Power Station. The issuance of CERs for Nimoo Bazgo is under process at CDM Secretariat, UNFCCC.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**

   Hydroelectric Power Generation is itself a renewable energy initiative. However, the company has taken up additional initiative on solar and wind power development. A 50 MW Wind and Solar Power Projects has already been commissioned in Rajasthan and Tamilnadu respectively. NHPC has issued Letter of Award for EPC Contract for development of 40 MW Solar Power Project in District Ganjam, Odisha. Further, Roof Top Solar Projects with aggregate capacity 2.58 MW has also been commissioned at different NHPC Locations. Additional roof top solar plants of aggregate capacity 1.50 MW is also under installation at various NHPC Locations.

NHPC, as an Intermediary Procurer, has awarded an aggregate capacity of 2000 MW ISTS connected Solar Power projects to the selected 5 nos. of developers. Power Sale Agreements (PSA) with State Discoms and Power Purchase Agreements with selected developers have been signed for 25 years project life period. The developmental activities are in progress by the selected developers.

NHPC is further in the process of development of Solar/ Wind Power Projects in different potential rich states such as Kerala (50 MW Floating Solar under UMREPP Mode of Solar Park Scheme, 72 MW Wind), Odisha (500 MW Floating Solar in JV Mode with State Nodal Agency GEDCOL under UMREPP Mode of Solar Park Scheme, 100 MW utility solar project in EPC mode under Solar park Scheme), Rajasthan (600 MW Solar Park under UMREPP Mode of Solar Park Scheme), Telangana (500MW Floating Solar in JV Mode with State Nodal Agency TSREDCO under UMREPP Mode of Solar Park Scheme) etc. Discussions with State Authorities are underway with regard to PPA, connectivity and Land issues.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   During the course of power generation from hydro project, no solid waste, liquid effluent or gaseous emissions are generated. In addition, there is no contamination of water during the process of Hydro power generation. However, river water quality is regularly analyzed to assess any change in quality of river water after power generation, the same remains within the permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   No such notices from CPCB/ SPCB were pending as on the end of the FY 2020-21.

**Principle 7**

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

   NHPC is a member of Standing Conference of Public Enterprises (SCOPE). SCOPE has basic objective of promoting "better understanding among the public about the individual & collective contribution of public sector".

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   We strongly campaign the cause of Governance and Administration for advancement of public good.

**Principle 8**

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes, NHPC through its structured CSR initiatives/ projects in the areas of healthcare & sanitation, education, skill development, rural development, environmental sustainability and women empowerment, Disaster Management etc. is continually striving for sustainable development of its neighboring communities and society at large particularly in the remote areas of States and Union Territories like J&K and Ladakh, Himachal Pradesh, Sikkim, Uttarakhand, Arunachal Pradesh, Assam, West Bengal, Manipur, Uttar Pradesh, Bihar and Haryana.

   These programs promote excellence in healthcare, education, environmental management and empowerment of marginalized and underprivileged sections/ communities.

**2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

The company's CSR Projects are implemented mostly through in-house teams, besides few programs are implemented by/ in association with Non-Government Organizations (NGOs)/ Government Institutions/ District Administration/ Authorities.

**3. Have you done any impact assessment of your initiative?**

In pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, assessments are to be carried out of the CSR projects taken up or completed on or after January 22, 2021. The process of selection of independent third party for conducting impact assessments has been initiated and the reports of eligible projects shall be available and uploaded by April, 2022.

As a good governance practice, NHPC has been conducting impact assessment, of its CSR projects through independent agencies in the past also, which are disclosed on the website at:

http://www.nhpcindia.com/Impact-Assessment-Reports.htm

**4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

Total contribution to community development Projects during FY 2020-21 were ₹ 79.63 Crore. The details are as under-

| Project | | Amount (INR) for 2020-21 |
|---|---|---|
| i. | Education & Skill development | INR 38.09 Crore |
| ii. | Health Care & Sanitation | INR 17.43 Crore |
| iii. | Rural Development | INR 3.39 Crore |
| iv. | Environment & Sustainability | INR 0.92 Crore |
| v. | Women Empowerment/ Senior Citizen | INR 0.09 Crore |
| vi. | PM CARES | INR 15.00 Crore |
| vii. | Disaster Management | INR 0.86 Crore |
| viii. | CSR Capacity Building, Sports, Art & Culture and Other Initiatives | INR 3.85 Crore |
| **Total expenditure** | | **INR 79.63 Crore** |

The details of various Projects undertaken during the year are as under:

**1. Education & skill development**

a) Skill development and vocational training programs.

b) Improvement/ up gradation of ITIs /schools in different part of country.

c) Construction & Up-gradation of school buildings and labs and providing infrastructure in Schools.

d) Provided scholarship to students for higher education.

e) Employment oriented training for livelihood enhancement of Persons with Disabilities (PwDs) through National Handicapped Finance and Development Corporation (NHFDC) in government identified aspirational districts.

f) Establishment of Digital Smart Class Rooms with computer lab along with accessories.

**2. Healthcare & Sanitation**

a) Providing for machinery/equipment in various health care centres like PHC/ CHC and Sub District Hospitals viz. USG Colour Doppler, X-ray Machine, Urine Analyser, Cardiac Monitor, Oxygen Concentrator, Generator Set, CR System, Dental Chain etc.

b) Providing C-ARM Compatible Hydraulic O Table emergency trolley suction machine & other item to District Hospitals

c) Organizing a large number of medical camps, eye surgery camps etc. in surrounding areas of Projects/ Power Stations and distributed free medicines to economically weaker families/ individuals.

d) Providing aids and assistive devices to differently abled persons.

e) Providing assistance for improvement of overall health conditions of the communities through up-gradation of Govt. Hospitals, Maternity Centres.

f) Safe drinking water facilities with bore well, filtration in public areas, community centers etc.

g) Community drinking water facility with RO Plant.

h) Construction/ Installation of toilets in schools & public places.

i) Construction/ Installation of water supply lines and sanitation in villages.

j) Water supply system for schools.

k) Installation of garbage bins, adoption of public places for carrying out development activities, solid waste management of the locality etc.

l) Under COVID-19 distribution of food & health items (Masks, Gloves, Sanitizers), formation of isolation/ quarantine centres, distribution of emergency medical items, airlifting of medical equipment (PPE) etc.

**3. Rural Development**

a) Rural development to augment basic infrastructure facilities like Community Centre, Water Supply Lines, Drains, Roads/ Paths, Irrigation canals etc.

b) Construction activities of cremation sheds, rain shelters, passenger sheds, multipurpose hall etc.

c) Support for development of Adarsh Gaon.

d) Providing drinking water.

e) Other infrastructure and community development as per local needs.

**4. Environment & Sustainability**

a) Plantation of trees & development of herbal parks.

b) Installation of Solar Street Light.

**5. Women Empowerment/Senior Citizen**

a) Skill development programs for Women Empowerment.

b) Arrangement of training to local self-help groups on tailoring, knitting, fast food making etc.

c) Project proposal request for Grant in Aid for the project "PAD WOMEN" menstrual health awareness and livelihood program for the women of the underprivileged section of the society.

d) Setting of sanitary pad manufacturing units.

**6. Sports, Art & Culture/Other Initiatives**

a) Training to promote Rural Sports.

b) Promotion of local Art & Culture.

**7. Disaster Management**

a) Contribution in PM CARES Fund

b) Several emergent activities for COVID 19 as per the need and requirement of local people.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, NHPC has taken steps to ensure that our community development initiatives are successfully adopted by the community. In order to ensure this, NHPC adopts a bottoms up approach for initiating any CSR activity for the community. This is characterized by the fact that stakeholders are part of the process of Need Identification/ Assessment. Baseline data is also gathered and analysed by our in-house team before carrying out community development initiatives. Comprehensive DPRs are prepared and analysed before initiating any CSR activity. An institutional mechanism of monitoring exists in the organization and it is done by the appropriate level at appropriate intervals during the implementation. Further, the beneficiaries' feedback on our initiatives are also collected for future planning purpose.

**Principle 9**

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

Electricity is a regulated sector. Electricity is an intangible product/service and is being supplied to various beneficiary DISCOMs. No customer complaint has been received during FY 2020-21. No case from FY 2019-20 is pending.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)**

Electricity Sector is a regulated one. Tariff of

NHPC Power Station(s) is governed by orders of Hon'ble Central Electricity Regulatory Commission. At the time of determination of tariff for a tariff period, details of AFC of Power Station are published in two daily newspapers, one in English and one in vernacular language, having circulation in each of the State/ Union Territory.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

   Beneficiaries DISCOMs have not filed any case against the company for unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   NHPC is taking regular feedback from its beneficiaries which help us to serve our customers in a better and more effective way. NHPC is regularly receiving feedback from its beneficiaries and feedbacks are satisfactory. NHPC is also connected with beneficiary States through Regional Power Committees (RPCs) which is a statutory body under Electricity Act 2003. This is a common forum for regular interaction of beneficiary DISCOMs and for resolving of outstanding issues. NHPC also conduct periodic customer meets for its beneficiary DISCOMs for interaction and for resolving the outstanding issues, if any.

**For and on behalf of the Board of Directors**

**(Abhay Kumar Singh)**
**Chairman and Managing Director**
**DIN 08646003**

**Date: August 27, 2021**
**Place: Faridabad**

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

1. **Brief outline on CSR Policy of the Company.**

**Introduction:**

Your Company has formulated a CSR & Sustainability Policy in line with Section 135 of the Companies Act, 2013, Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules read with General Circulars issued on CSR by the Ministry of Corporate Affairs.

**Highlights of the Policy:**

- An amount specified under subsection (5) of Section 135 of the Companies Act, 2013, which is at present, at least two percent of the average net profit of the company made during three immediately preceding financial years, is kept as the annual budget for CSR & SD works during the year and approved by the Board of Directors.
- Preference to the local area around NHPC's Projects has been given by allocating at least 80% of the budget amount. However, other locations may also be chosen based on the needs and as per the direction of GOI on national schemes and campaign, wherein more than 20% amount of the CSR budget may be spent, for the larger benefit of society/environment.
- The CSR initiatives includes programs on promoting Education & Skill development, Healthcare & sanitation, Rural development, Women empowerment, Sports, Art & Culture etc. in accordance with Schedule VII of the Companies Act, 2013. Expenditure on any other activity not in conformity with Schedule VII is not accounted towards CSR expenditure.
- Selection of CSR & Sustainability schemes ensure the outreach of maximum benefits to the poor/ backward & needy sections of the society and contribute to improve the quality of environment.
- Your Company is open to joining hands with the other CPSEs in planning, implementing and monitoring of Mega-Projects for optimal use of resources, synergy of expertise and capabilities for maximizing socio-economic or environmental impact.

**Programmes covered under CSR:**

The community development programs have been identified and formulated based on the specific needs and requirement of a particular location as Power Stations/ Projects of your Company are located all over India under varying socio-economic conditions. To this effect, whole gamut of activities has been identified, which to a great extent have been initiated in and around the Power Stations/ Projects. These activities have been illustrated below:

**I Education and Skill Development:**

Your Company leads from the front when it comes to imparting education and skill development, especially to the poor and underprivileged sections of the society and providing support for improvement of infrastructure in schools, establishment of Digital smart class rooms/ Library etc.

Your Company has also provided Employment Oriented Training for livelihood enhancement of around 1000 Persons with Disabilities (PwDs) through National Handicapped Finance and Development Corporation (NHFDC) in Government identified Aspirational districts of Baramulla (J&K) and Chamba (HP) as well as at other locations namely Jammu (J&K), Mandi (HP), and Siliguri (West Bengal). This CSR initiative includes end to end dispensation of identification of candidates, training them in employment oriented skill sets as per their capabilities in trades like Sewing Machine Operator, Hand Embroidery, Self-employed Tailor, Data Entry Operator, Agarbatti Making, and Bamboo basket making and then providing them Placement or soft loans to establish their Self-employment venture through the arms of Ministry of Social Justice, GoI.

**II Health:**

Health is a major issue that your Company is concerned about. Your Company has organized a large number of medical camps, eye surgery camps in the surrounding areas of Projects/ Power Stations and distributed free medicines to economically weaker families/ individuals. Your company is also distributing aids and assistive devices to differently abled persons. Your Company is also providing High end Medical Equipment and other infrastructural support to Govt. Hospitals and health awareness camps round the year.

Your company is providing assistance for improvement of overall health conditions of the communities through up-gradation of Govt. Hospitals, Maternity Centres.

During the year NHPC organized assessment camp for identification of beneficiaries and distribution of artificial limbs, clutches, hearing aids, wheel chairs etc. to the selected beneficiaries in West Sikkim (Sikkim) through Artificial Limbs Manufacturing Corporation of India (ALIMCO), a Central Public Sector Enterprise.

In this pandemic scenario, your company has taken a stand by distributing food and health items (Masks, Gloves & Sanitizers), distribution of emergency Medical items.

**III Swachh Bharat Abhiyan:**

A large number of public health and sanitation activities has been initiated by your company under Swachh Bharat Abhiyan which includes Safe Drinking water facilities in public area, Community Drinking Water facility with RO Plant, Basic Amenities/ Sanitation facilities in market/ public area, Construction/ Installation of water supply lines and sanitation in villages, construction of toilets in school/ public places, water supply system for schools, installation of Garbage bins, Adoption of Public places for carrying out developmental activities, Solid waste management of the locality etc.

**IV Rural Development:**

NHPC has taken up various Rural Development programs to augment basic infrastructure facilities like construction of Community Centres, Water Supply Lines, Drains, Roads/ Paths etc. as per the need and requirements of the larger under-privileged and marginalized rural communities. Your Company has also undertaken the construction activities of Rain shelters, Passenger sheds, Cremation sheds, etc.

**V Environmental Sustainability:**

Your Company is committed to ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, maintaining quality of air, water and soil. A number of CSR activities has been taken up for ensuring environmental sustainability like plantation under "Pollution abating Plants Abhiyan", Installation of solar street lights, Development of Herbal Parks, Renovation of Parks etc.

**VI Women Empowerment & Senior Citizen:**

Your Company has contributed towards numerous CSR activities designed for empowering the women and creation of facilities for senior citizens. Your Company has assisted in imparting skill development training to promote self-employment for women. Your company has been providing intensive awareness sessions and counseling regarding Menstrual Hygiene Management and has provided low cost-Sanitary napkins under PADWOMEN project. Established Sanitary Napkin Unit for women empowerment & livelihood enhancement in the Aspirational district of Mewat and also distributed Sewing machines for income generation and building self-dependence.

**VII CSR Capacity Building and Other Activities:**

Your Company has also contributed towards promoting rural sports. Impact Assessment/ Evaluation Studies are also being conducted by your Company to gauge the effectiveness of CSR programs.

**VIII Disaster Management:**

In the difficult times of the COVID 19 pandemic, your Company has contributed an amount of Rs.15 Crores for the "PM Cares Fund". NHPC has provided assistance to the local administration in fighting the pandemic by distributing essential food items, medicines, Hygiene Kits, assisting in sanitation drives etc. Many of the NHPC locations geared up to create Quarantine Centres in their dispensaries.

**2. The Composition of CSR Committee:**

**For the FY 2020-21**

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year | Status as on 31.03.2021 (Active/ ceased) |
|---|---|---|---|---|---|
| 1. | Shri Bhagwat Prasad | Chairman of the Committee (Independent Director) | 2 | 2 | Ceased |
| 2. | Shri Ratish Kumar | Director (Projects) | | 2 | Ceased |
| 3. | Shri N. K. Jain | Director (Personnel) | | 1 | Ceased |
| 4. | Shri Mahesh Kumar Mittal | Director (Finance) | | 2 | Ceased |
| 5. | Shri Yamuna Kumar Chaubey | Director (Technical) | | 2 | Active |

The Board of Directors in its 444th meeting held on 21.03.2021 has reconstituted the Committee on CSR & Sustainability with following members:

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year | Status as on 31.03.2021 (Active/ ceased) |
|---|---|---|---|---|---|
| 1. | Shri Yamuna Kumar Chaubey | Director (Technical) - Ex-Officio Member (Chairperson) | 0 | 0 | Active |
| 2. | Shri Rajendra Prasad Goyal | Director (Finance) - Ex-Officio Member | | 0 | Active |
| 3. | Shri Biswajit Basu | Director (Projects) - Ex-Officio Member | | 0 | Active |

**3.** Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The web-link on the website of the company where Composition of CSR committee is disclosed: www.nhpcindia.com/Default.aspx?id=335&lg=eng&

The web-link on the website of the company where the CSR Policy approved by the board is disclosed: www.nhpcindia.com/csr-policy.htm

The web-link on the website of the company where CSR projects are disclosed: http://www.nhpcindia.com/Default.aspx?id=286&lg=eng&

**4.** Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

In pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, assessments are to be carried out of the CSR projects taken up or completed on or after January 22, 2021. The process of selection of independent third party for conducting impact assessments has been initiated and the reports of eligible projects shall be available and uploaded by April, 2022.

As a good governance practice, NHPC has been conducting impact assessment, of its CSR projects through independent agencies in the past also. Impact Assessment Reports of CSR projects are available/ disclosed on the website at: http://www.nhpcindia.com/Impact-Assessment-Reports.htm.

**5.** Details of the amount available for set off in pursuance of sub-rule(3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---|---|---|---|
| 1 | 2020-21 | 0.00 | 0.00 |
| **Total** | | **0.00** | **0.00** |

**6.** Average net profit of the company as per section 135(5): **Rs. 2971.43 Cr.**

**7.** (a) Two percent of average net profit of the company as per section 135(5): **Rs. 59.43 Cr.**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Rs. 0.00**

(c) Amount required to be set off for the financial year, if any: **Rs. 0.00**

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 59.43 Cr.**

**8.** (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Cr.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5) | | |
| | Amount | Date of transfer | Name of fund | Amount | Date of transfer |
| 79.63 | 0.00 | N/A | N/A | 0.00 | N/a |

(b) Details of CSR Amount spent against ongoing projects for the financial year:
**As per Annexure-A attached**

(c) Details of CSR Amount spent against other than ongoing projects for the financial year:
**As per Annexure-B attached**

(d) Amount spent in Administrative Overheads: **Rs. 3.7252 Crore.**

(e) Amount spent on Impact Assessment, if applicable: **Rs. 0.0 Crore**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 79.63 Crore.**

(g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in Cr.) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | 59.43 |
| (ii) | Total amount spent for the Financial Year | 79.63 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 20.20 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0.00 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 20.20 |

**9.** (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in Rs.) | Amount spent in the reporting Financial Year (in Cr.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial Years (in Rs.) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in Rs) | Date of transfer | |
| 1. | 2019-20 | 0.00 | 126.43 | N/A | 0.00 | N/A | N/A |
| 2. | 2018-19 | 0.00 | 17.58 | N/A | 0.00 | N/A | N/A |
| 3. | 2017-18 | 0.00 | 38.55 | N/A | 0.00 | N/A | N/A |
| **Total** | | | **182.56** | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

**As per Annexure-C attached**

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**.

(a) Date of creation or acquisition of the capital asset(s). - Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. - Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Nil

**11.** Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5). - N/A

**Sd/-**
**(A. K. Singh)**
**Chairman & Managing Director**
**NHPC Limited**
**DIN: 08646003**

**Sd/-**
**(Yamuna Kumar Chaubey)**
**Director (Technical) & Chairman, CSR Committee**
**NHPC Limited**
**DIN: 08492346**

**Date: August 27, 2021**
**Place: Faridabad**

**Annexure-A**

## Details of CSR Amount spent against ongoing projects for the FY 2020-21 (Refer Sl. No. 8b of CSR Report)

Amount in Rs. lakh

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 1 | Improvement of existing buildings and construction of boundary walls, protection wall, other facilities in Govt. schools in Trintha, Bakkal, Kundra, Kheral, Chinkha, Pony, educational zones of Reasi. | Education & Skill Development | Yes | J&K | Reasi | 12 | 36.50 | 36.41 | - | Yes | NHPC | - |
| 2 | Organizing Medical Camps. | Health & Sanitation | Yes | J&K | Reasi | 9 | 2.79 | 2.78 | - | Yes | NHPC | - |
| 3 | Adoption of village Bidda in district Reasi by Salal Power Station as Adarsh Gaon through MOU with Distt. Authority on collaborative mode with Distt. Administration. | Rural Development | Yes | J&K | Reasi | 21 | 87.96 | 19.73 | - | | | |
| | a) RCC surface water tank. | | | | | | | | | Yes | NHPC | - |
| | b) Construction of retaining wall and black topping of Bidda road. | | | | | | | | | Yes | NHPC | - |
| 4 | Improvement/ extension & providing of Water Supply to village Kotla and Theru (Ransoo) Distt. Reasi through gravity subject to approved DPR, MOU and all clearances from Distt. Authority on collaborative mode. | | Yes | J&K | Reasi | 18 | 16.67 | 16.50 | - | No | Through DC Office Reasi | - |
| 5 | Repair of Compound Wall and Floor of the Govt. Middle School, Bagwan Mohalla, Kishtwar subject to approved DPR, all clearances from Distt. Authority and MOU with District authority. | Education | Yes | J&K | Kishtwar | 22 | 6.10 | 0.67 | - | No | Assistant Commissioner Development, Kishtwar, Rural Development Deptt, Govt of J&K | - |
| 6 | Maintenance/ repair/ renovation of building of Govt. Girls H. School Sangrambhata, Kishtwar. | | Yes | J&K | Kishtwar | 24 | 6.84 | 3.14 | - | No | Assistant Commissioner Development, Kishtwar, Rural Development Deptt, Govt of J&K | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 7 | Providing C-ARM Compatible Hydraulic O Table emergency trolley suction machine & other item to District Hospital Kishtwar. | Health & Sanitation | Yes | J&K | Kishtwar | 11 | 6.88 | 6.88 | - | Yes | NHPC | - |
| 8 | Construction of Toilet Complex at Tuberculosis Centre, Kishtwar through MOU with Distt. Administration. | | Yes | J&K | Kishtwar | 22 | 3.59 | 0.00 | - | No | Assistant Commissioner Development, Kishtwar, Rural Development Deptt, Govt of J&K | - |
| 9 | Distribution of food and health items for COVID 19. | | Yes | J&K | Kishtwar | 3 | 3.12 | 3.10 | - | Yes | NHPC | - |
| 10 | Development of Herbal Park for Preventive health care and developing area through Plantation for Environment sustainability at Noapachchi of Barsar HEP location in Block Marwa through MOU with Distt. Admn. On collaboration mode. | Environment | Yes | J&K | Kishtwar | 21 | 6.93 | 0.00 | - | No | Assistant Commissioner Development, Kishtwar, Rural Development Deptt, Govt of J&K | - |
| 11 | Adoption and development maintenance of Chowgan Ground Kishtwar and doing activities under Swachh Bharat Abhiyan through MOU with Distt. Administration/ Municipal Corporation, Kishtwar. | Swachh Bharat Abhiyan | Yes | J&K | Kishtwar | 21 | 1.03 | 0.00 | - | No | Municipal Council, Kishtwar | - |
| 12 | Providing for machinery equipments in various health care centres of Districts (like PHC/ CHC and Sub District Hospitals) viz. USG Color Doppler, X-ray Machine, Urine Analyzer, Cardiac Monitor, Oxygen Concentration, Generator Set, CR System, Dental Chain in District- Baramulla (J&K). | Health & Sanitation | Yes | J&K | Baramulla | 18 | 697.08 | 555.58 | - | No | DC, Baramulla | - |
| 13 | Civil Works and Machinery equipments for Health Care Centres, Sopore, District-Baramulla (J&K). | Health & Sanitation | Yes | J&K | Sopore | 22 | 103.30 | 100.05 | - | No | DC, Baramulla | - |
| 14 | Up gradation of infrastructure-Construction of School building in Gingle High School in place of Old Building damaged in earthquake in 2005. | Education | Yes | J&K | Baramulla | 24 | 8.42 | 8.41 | - | Yes | NHPC | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 15 | Up gradation of infrastructure-Balance Work of Partially Constructed School Building in Govt. High School Gingle. | Education | Yes | J&K | Baramulla | 8 | 1.33 | 0.97 | - | Yes | NHPC | - |
| 16 | Up gradation of infrastructure- Balance Work of Partially Constructed School Building in Govt. High School Dhani Syedan. | Education | Yes | J&K | Baramulla | 12 | 8.62 | 7.86 | - | Yes | NHPC | - |
| 17 | Modernization of Horticulture Nurseries at Khawaja Bagh, Baramulla and Baghi Sundari Sopore (for Capacity enhancement). | Rural Development | Yes | J&K | Baramulla & Sopore | 18 | 43.00 | 43.00 | - | No | DC, Baramulla | - |
| 18 | Renovation of existing water source and construction of wash area for villagers of Lagama. | Health & Sanitation | Yes | J&K | Baramulla | 12 | 0.28 | 0.00 | - | Yes | NHPC | - |
| 19 | Digital X Ray Plant for Uri Hospital through MOU with district administration for CSR sustainability. | | Yes | J&K | Baramulla | 5 | 17.86 | 17.80 | - | Yes | NHPC | - |
| 20 | Ultra Sound with Colour Doppler for Uri Hospital through MOU with District Administration for CSR sustainability. | | Yes | J&K | Baramulla | 5 | 6.94 | 6.92 | - | Yes | NHPC | - |
| 21 | Construction of toilets in schools. | Swatch Vidyalaya | Yes | J&K | Baramulla | 74 | 2.36 | 0.00 | - | Yes | NHPC | - |
| 22 | Construction of fencing for grave yard at Salamabad Village. | Rural Development | Yes | J&K | Baramulla | 32 | 1.50 | 0.00 | - | Yes | NHPC | - |
| 23 | Strengthening of bridge abutment and construction of footpath near middle school Jabla. | | Yes | J&K | Baramulla | 18 | 4.00 | 1.27 | - | Yes | NHPC | - |
| 24 | Rural Development of Salamabad Village, Upgradation & repairing of Govt. Hr. Sec. Salamabad through MOU with District Administration for CSR sustainability. | | Yes | J&K | Baramulla | 24 | 5.00 | 2.74 | - | Yes | NHPC | - |
| 25 | Construction of Shamshan Ghat and approach to Shamshan Ghat in Jabla Village through MOU with district administration for CSR sustainability. | | Yes | J&K | Baramulla | 9 | 7.43 | 0.00 | - | Yes | NHPC | - |
| 26 | Construction of footpath to Bagratoo Dachi Village through MOU with District Administration for CSR sustainability. | | Yes | J&K | Baramulla | 12 | 3.70 | 0.00 | - | Yes | NHPC | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 27 | Construction of Toilet, Wash area & Tiles work at Ziyarat –Syed Wahab Uddin Bukhari Near Bus Stand Uri. | Rural Development | Yes | J&K | Baramulla | 18 | 0.00 | 0.00 | - | Yes | NHPC | - |
| 28 | Establishment of Digital Smart Class Rooms with computer lab along with accessories at HS Wanpora, Gurez through MOU with District Administration for CSR sustainability. | Education | Yes | J&K | Bandipora | 17 | 11.84 | 11.84 | - | No | District Development Commissioner Bandipora | - |
| 29 | Organizing Medical Camps at Bandipora and Gurez Locations. | Health & Sanitation | Yes | J&K | Bandipora | 21 | 10.17 | 0.00 | - | No | District Development Commissioner Bandipora | - |
| 30 | Providing of medical equipment to District Hospital Bandipora and Sub District Hospital, Gurez through MOU with District Authority for maintenance and sustainability. | Health & Sanitation | Yes | J&K | Bandipora | 17 | 10.59 | 10.59 | - | No | District Development Commissioner Bandipora | - |
| 31 | Covid-19 assistance to District administration. | Health & Sanitation | Yes | J&K | Bandipora | 15 | 2.00 | 0.00 | - | No | District Development Commissioner Bandipora | - |
| 32 | Installation of 10 Nos. High Mast Solar Lights with Five (05) years maintenance for Gurez (4 x40 Watt) through MOU with district administration/ JKEDA for CSR sustainability. | Rural Development | Yes | J&K | Bandipora | 12 | 12.30 | 12.30 | - | No | District Development Commissioner Bandipora | - |
| 33 | Construction of 2/3 Culverts and Repairing/ extension of water supply Line in Check Village, Bandipora (J&K). | Rural Development | Yes | J&K | Bandipora | 36 | 7.60 | 0.00 | - | No | District Development Commissioner Bandipora | - |
| 34 | Repair, Restoration and Cleaning of Kuls, Culverts and Footpaths for nearby villages- Kralpora, Check, Mantrigram, Chandaji and Gurez through District Administration with MOU route for CSR Sustainability and overlapping of Govt. Funding. | Rural Development | Yes | J&K | Bandipora | 29 | 6.78 | 1.60 | - | No | District Development Commissioner Bandipora | - |
| 35 | Repair and maintenance of Kuls in nearby villages through MOU with District Authority for maintenance and sustainability. | Rural Development | Yes | J&K | Bandipora | 26 | 16.95 | 12.20 | - | No | District Development Commissioner Bandipora | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 36 | Repair and maintenance of local water supply line in nearby villages such as Kralpora, Mantrigam, Chandaji and Check through MOU with District Authority for sustainability. | Rural Development | Yes | J&K | Bandipora | 20 | 12.71 | 0.00 | - | No | District Development Commissioner Bandipora | - |
| 37 | Solar Street Lighting of approach Roads leading to Project through MOU with JKEDA for up keeping and maintenance support for 5 years. | Environment | Yes | J&K | Bandipora | 48 | 34.67 | 0.00 | - | No | District Development Commissioner Bandipora | - |
| 38 | Solar street lights in Check village, Bandipora. | | Yes | J&K | Bandipora | 29 | 8.20 | 0.00 | - | No | District Development Commissioner Bandipora | - |
| 39 | Plantation under "Pollution abating Plants Abhiyan (PAPA) through district administration on MOU route for CSR sustainability through District Forest Department. | | Yes | J&K | Bandipora | 20 | 5.00 | 0.00 | - | No | District Development Commissioner Bandipora | - |
| 40 | Development of Gulshan Chowk in Bandipora. | Swatch Bharat Abhiyaan | Yes | J&K | Bandipora | 39 | 55.53 | 55.53 | - | No | District Development Commissioner Bandipora | - |
| 41 | Development of Bandipora Nishat Garden through MOU with Distt. Administration. | | Yes | J&K | Bandipora | 39 | 110.90 | 110.90 | - | No | District Development Commissioner Bandipora | - |
| 42 | Strengthening by way of training and material for local sports, art & culture through MOU with district administration for CSR sustainability. | Sports | Yes | J&K | Bandipora | 20 | 2.54 | 2.15 | - | No | District Development Commissioner Bandipora | - |
| 43 | Providing Drinking Water during winter through Tanker. | Rural Development | Yes | Ladakh | Kargil | 14 | 1.15 | 1.13 | - | Yes | NHPC | - |
| 44 | Providing Drinking Water facility through Bore well and Laying of Pipelines at Khaltse Village through MOU with Sustainability Plan with Panchayat and District Administration. | Health & Sanitation | Yes | Ladakh | Leh | 22 | 2.00 | 0.00 | - | Yes | NHPC | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 45 | Construction of a new Community Centre Complex (including toilet) at Khaddi Panchayat through MOU for CSR sustainability for up keeping and maintenance on collaborative mode. | Rural Development | Yes | J&K | Kathua | 9 | 5.10 | 5.10 | - | Yes | NHPC | - |
| 46 | Construction of Rain Shelters cum Bus stops at Chandiya in Bani and Saroga (Ward 2) Draman Panchayat through MOU with District Authority for sustainability, up keeping on collaborative mode. | | Yes | J&K | Kathua | 8 | 5.00 | 4.15 | - | Yes | NHPC | - |
| 47 | Cleaning of a small water body near to Powerhouse and repair of adjoining storage water tank for the drinking & household needs of villagers through MOU with District authority for future up keeping and maintenance on collaborative mode. | Environment | Yes | J&K | Kathua | 10 | 2.00 | 1.74 | - | Yes | NHPC | - |
| 48 | Reconstruction and repair of flood-ravaged Manjhiri Park at Bani through MOU with District authority for CSR sustainability on collaborative mode for future. | | Yes | J&K | Kathua | 10 | 7.60 | 7.00 | - | Yes | NHPC | - |
| 49 | Providing financial assistance for Adarsh Khel Vidyalaya for improvement of Sports activities at 12 schools in Distt. Chamba. | Education | Yes | HP | Chamba | 3 | 2.45 | 2.44 | - | Yes | NHPC | - |
| 50 | Construction of Toilet at Govt. Primary School Sarowa, Post-Lesui, Teh-Churah, Distt-Chamba (H.P.). | Swachh Vidyalaya Abhiyan | Yes | HP | Chamba | 6 | 3.50 | 2.86 | - | Yes | NHPC | - |
| 51 | Construction of two rooms at Govt. Primary School, Bhandar through MOU with District Administration for future up keeping and maintenance. | Rural Development | Yes | HP | Chamba | 16 | 6.51 | 4.52 | - | Yes | NHPC | - |
| 52 | Renovation of Class room at Govt. Primary School, Bhandar through MOU with District Administration for future up keeping and maintenance. | | Yes | HP | Chamba | 6 | 3.50 | 2.66 | - | Yes | NHPC | - |
| 53 | Re-construction of Surangani Bus Stand through MOU with District Administration for future up keeping and maintenance. | | Yes | HP | Chamba | 6 | 15.00 | 9.06 | - | Yes | NHPC | - |
| 54 | Fund for Fighting with Covid-19 | Health & Sanitation | Yes | HP | Chamba | 7 | 5.00 | 4.97 | - | Yes | NHPC | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 55 | Providing Solar street lights at Village Rupani (Thadi), Gram Panchayat Rupani, Dist-Chamba (HP) through MOU with District Authorities for CSR sustainability. | | Yes | HP | Chamba | 4 | | | - | Yes | NHPC | - |
| 56 | Providing Solar street lights at Village Mail, Dist-Chamba (HP) through MOU with District Authority for CSR sustainability. | | Yes | HP | Chamba | 4 | | | - | Yes | NHPC | - |
| 57 | Providing Solar street lights at Village Rajnagar, Dist-Chamba (HP) through MOU with District Authorities for CSR sustainability. | Environment | Yes | HP | Chamba | 4 | 5.64 | 5.63 | - | Yes | NHPC | - |
| 58 | Providing Solar street lights at Village Simni, Dist-Chamba (HP) through MOU with District Authority for CSR sustainability. | | Yes | HP | Chamba | 4 | | | - | Yes | NHPC | - |
| 59 | Providing Solar street lights at Village Bhanota, Dist-Chamba (HP) through MOU with District Authority for CSR sustainability. | | Yes | HP | Chamba | 4 | | | - | Yes | NHPC | - |
| 60 | Renovation of Toilets at Govt. Primary School, Simni, Dist-Chamba through MOU with District Authority for CSR sustainability. | Swachh Bharat Abhiyan | Yes | HP | Chamba | 7 | 1.30 | 1.29 | - | Yes | NHPC | - |
| 61 | Providing 1.5 Tesla MRI Machine. | Health & Sanitation | Yes | HP | Chamba | 18 | 0.00 | | - | No | District Administration, Chamba | - |
| 62 | Providing 64 slice CT Scan machine with CMC for 8 years. | | Yes | HP | Chamba | 18 | 0.00 | | - | No | District Administration, Chamba | - |
| 63 | Addition and alteration of Govt. Middle School, Kasakra, Chamba. | Education | Yes | HP | Chamba | 6 | 0.40 | 0.38 | - | Yes | NHPC | - |
| 64 | Protection and restoration works for Historical Chogan adjacent to Zonal Hospital Chamba. | Art & Culture | Yes | HP | Chamba | 18 | 14.74 | 9.50 | - | Yes | NHPC | - |
| 65 | Renovation of Kitchen and dining hall at State Tribal Girls Hostel, Bharmour. | Education | Yes | HP | Chamba | 4 | 5.00 | 4.81 | - | Yes | NHPC | - |
| 66 | Installation of Street Lights at Chhatradi Village through MOU mode with District Administration. | Rural Development | Yes | HP | Chamba | 6 | 4.50 | 4.34 | - | Yes | NHPC | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 67 | Improvement in Solid waste management system under Swatch Bharat Abhiyan in Ningthoukhong Garbase Park under dag No.1/9 Khudithibi area including recycling of Solid Waste through MOU with District authority for CSR sustainability. | Rural Development | Yes | Manipur | Bishnupur | 12 | 10.67 | 10.66 | - | Yes | NHPC | - |
| 68 | Construction of waiting shed attached with toilet and village drainage at Ithai Barrage area and Laikhong. | | Yes | Manipur | Bishnupur | 4 | 0.20 | 0.19 | - | Yes | NHPC | - |
| 69 | Construction of public library Building at Ningthokhong. | | Yes | Manipur | Bishnupur | 28 | 1.10 | 0.04 | - | Yes | NHPC | - |
| 70 | CSR support for development of Adarsh Gaon under Old Manali Distt. Work implementation through State PWD, H.P. through MOU with long term sustainability plan (Recommended by Shri Ram Swaroop Sharma, M.P. Lok Sabha). | Rural Development | Yes | HP | Kullu | 18 | 28.70 | 27.60 | - | No | HPPWD, I&PH, BDO, Kullu | - |
| 71 | Construction of Girls Toilets at GHS, Sari. | Education and Skill Development | Yes | HP | Kullu | 12 | 2.33 | 1.40 | - | No | SMC, Sari | - |
| 72 | Providing Desk-Beanch, Various Sports items, public Address System, Water purifiers. Water tanks, Computers, Printers, incinerator, Sanity Napkin vending & Disposal System to Govt. primary school, Ropa, GSSS Sainj, Sewing Machines for Silai Training centres running at project affected villages etc. | | Yes | HP | Kullu | 5 | 0.75 | 0.74 | - | Yes | NHPC | - |
| 73 | Protection railing for playground at GPS & GHS Kanon. | | Yes | HP | Kullu | 11 | 1.88 | 1.81 | - | No | SMC, Kanon | - |
| 74 | Construction, repairing of toilets at GSSS, Sainj. | Health | Yes | HP | Kullu | 6 | 1.60 | 1.35 | - | No | SMC, Sainj | - |
| 75 | CSR activities related with COVID-19. | Health and Sanitation | Yes | Uttarakhand | Garhwal | 12 | 5.00 | 5.00 | - | Yes | NHPC | - |
| 76 | Construction of Auditorium at Government Inter College, Khet near Dam Site. | Education | Yes | Uttarakhand | Pithoragarh | 17 | 6.09 | 0.00 | - | Yes | NHPC | - |
| 77 | Providing drinking water tank and 300 meter water supply line at Sairi Village, Khela. | Health and Sanitation | Yes | Uttarakhand | Pithoragarh | 6 | 0.00 | -0.01 | - | Yes | NHPC | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 78 | Construction of Ambedkar Bhawan at Tok-Chetakala, Village Khela. | Rural Development | Yes | Uttarakhand | Pithoragarh | 6 | 8.87 | 8.80 | - | Yes | NHPC | - |
| 79 | Construction of community toilet at Village - Dugtu, Syankuri, Ishu, Ranthi and Kalika through MOU with District Authority for CSR sustainability of long term maintenance on collaborative mode. | Swatch Bharat Abhiyaan | Yes | Uttarakhand | Pithoragarh | 4 | 3.27 | 3.27 | - | Yes | NHPC | - |
| 80 | Digital Support with Computers and Science lab Apparatus to Sahi Uttam Chand Saraswati Vidya Mandhir Govt. School Banbassa through all clearances and MOU with school management for CSR sustainability. | Education | Yes | Uttarakhand | Champawat | 24 | 2.30 | 0.09 | - | Yes | NHPC | - |
| 81 | Providing 2 Nos. Computers to Manihatigoth, Govt. school, Tanakpur. | | Yes | Uttarakhand | Champawat | 24 | 1.00 | 0.09 | - | Yes | NHPC | - |
| 82 | Construction of 02 Nos. toilets at Govt. Higher Secondary School Chhinigoth through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | Swachh Bharat Abhiyan | Yes | Uttarakhand | Champawat | 15 | 5.00 | 3.99 | - | Yes | NHPC | - |
| 83 | Construction & Renovation work of 02 Nos. Ladies Toilets in Govt. College Tanakpur through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | | Yes | Uttarakhand | Champawat | 15 | | 0.00 | - | Yes | NHPC | - |
| 84 | For Purchase of Computers for Schools. | Education | Yes | West Bengal | Jalpaiguri | 8 | 3.37 | 2.86 | - | Yes | NHPC | - |
| 85 | Maintenance and Up-Gradation of Class room and play ground of Dhargaon Primary School, South Sikkim through MOU with District authority for CSR sustainability. | Education | Yes | Sikkim | South Sikkim | 10 | 5.76 | 5.66 | - | Yes | NHPC | - |
| 86 | Construction of Multi-purpose activities hall and school ground enlargement and fencing of Government Junior High School, Dalep-Kewzing, West Sikkim through MOU with District Authority for CSR sustainability. | | Yes | Sikkim | South Sikkim | 9 | 20.67 | 19.87 | - | Yes | NHPC | - |
| 87 | Construction of sheds for school Gallery in Jarrong Senior Secondary School, Jarrong, West Sikkim through MOU with District Authority for CSR sustainability. | | Yes | Sikkim | South Sikkim | 12 | 10.14 | 9.39 | - | Yes | NHPC | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 88 | Introduction of New trade & Provisioning of Tools and equipment at ITI, Geyzing West Sikkim. | Education | Yes | Sikkim | West Sikkim | 13 | 31.00 | 29.12 | - | Yes | NHPC | - |
| 89 | Providing Scholarship for higher studies under 'NHPC Scholarship award scheme' | | Yes | Sikkim | West Sikkim | 12 | 0.96 | 0.48 | - | Yes | NHPC | - |
| 90 | Support for Hospital Healthcare up gradation with Medical Equipment to the District Hospital, West Sikkim to improve its infrastructural facility in the region through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | Health Care | Yes | Sikkim | West Sikkim | 15 | 1.00 | 1.00 | - | Yes | NHPC | - |
| 91 | Construction of Multipurpose Hall at Leg ship through MOU with Dist. Authority with long term sustainability plan. | Rural Development | Yes | Sikkim | South Sikkim | 11 | 11.75 | 11.75 | - | Yes | NHPC | - |
| 92 | Providing musical equipment to Surya Daya Jan Kalyan Samiti, a Club located at Ralep, East Sikkim for organizing. | Education | Yes | Sikkim | Rajep, East Sikkim | 7 | 1.00 | 0.92 | - | Yes | NHPC | - |
| 93 | Construction of ITI at Chandey. | | Yes | Sikkim | Chandey, north Sikkim | 90 | 15.50 | 15.50 | - | Yes | NHPC | - |
| 94 | Construction of Sheda (Manastic) School building and repair/painting of Monastery at Lum Village, North Sikkim, through MOU with Education Department for CSR sustainability. | Rural Development | Yes | Sikkim | East Sikkim | 7 | 3.38 | 3.36 | - | Yes | NHPC | - |
| 95 | Construction of 10 Nos. Public Toilets with Sustainable mode in Public Private Partnership in and around Teesta-V Township through MOU with District Administration for CSR sustainability. | | Yes | Sikkim | East Sikkim | 7 | 2.58 | 2.34 | - | Yes | NHPC | - |
| 96 | Construction of community centre through MOU with district administration for CSR sustainability. | | Yes | Sikkim | East Sikkim | 7 | 2.08 | 1.83 | - | Yes | NHPC | - |
| 97 | Arrangement of training to local self-help groups on tailoring, knitting, fast food making and providing raw materials, machines and accessories etc. during training and distribution thereof for livelihood generation & employment in co-ordination with district administration | Women Empowerment & Senior Citizen | Yes | Sikkim | East Sikkim | 2 | | -0.03 | - | Yes | NHPC | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 98 | Arrangement of training to local self-help groups on tailoring, knitting, fast food making and providing raw materials, machines and accessories etc. during training and distribution thereof for livelihood generation & employment in co-ordination with district administration. | Women Empowerment & Senior Citizen | Yes | Sikkim | Singbel SHG, East Sikkim | 6 | 1.40 | 1.33 | - | Yes | NHPC | - |
| 99 | Construction of Toilets at various public places, community locations, schools etc. through MOU with district administration for CSR sustainability, up keeping and maintenance on collaborative mode and avoiding overlapping of Govt. Funding. | Swachh Bharat Abhiyan | Yes | Sikkim | East Sikkim | 17 | 8.59 | 8.58 | - | Yes | NHPC | - |
| 100 | Engineering College in takdah | Education | Yes | West Bengal | Darjeeling | 124 | 100.00 | 100.00 | - | No | Gorkhaland Teritorial Administration (GTA) | - |
| 101 | Construction of community Hall along with kitchen and toilet at 74 Dhuta, Mumgpoo. | Rural Development | Yes | West Bengal | Darjeeling | 21 | 1.15 | 0.58 | - | Yes | NHPC | - |
| 102 | Construction of community hall with toilet and kitchen at Deorali, Teesta Valley through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | | Yes | West Bengal | Darjeeling | 6 | 19.50 | 19.50 | - | Yes | NHPC | - |
| 103 | Engineering College at Takdah. | Education | Yes | West Bengal | Darjeeling | 124 | 100.00 | 100.00 | - | No | Gorkhaland Teritorial Administration (GTA) | - |
| 104 | Construction of community Hall at Shepkhola Village through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | Rural Development | Yes | West Bengal | Kalimpong | 15 | 12.41 | 11.71 | - | Yes | NHPC | - |
| 105 | Safe Drinking Water facilities with bore well, filtration as per site requirement in public areas, community centers etc. | Swachh Bharat Abhiyan | Yes | Assam | Dhemaji/ Lakhimpur/ majuli/ Narayanpur | 72 | 25.00 | 24.89 | - | No | Local Panchayat/ Namghar/ School/ Public Representative Committee | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 106 | Balance funding of the approved construction of 143 toilets in schools/public places through MOU for sustainability plan with school management Committee/ District authority. | Swachh Bharat Abhiyan | Yes | Assam/ Arunachal Pradesh | Dhemaji/ Kamle | 52 | 2.00 | 0.45 | - | No | Local Panchayat/ Namghar/ School/ Public Representative Committee | - |
| 107 | 10 RO Cum Sanitation Complex through MOU with District authority for CSR sustainability. | | Yes | Assam/ Arunachal Pradesh | Dhemaji/ Lakhimpur/ Majuli/ Narayanpur/ Kamle | 72 | 25.00 | 24.76 | - | No | Local Panchayat/ Namghar/ School/ Public Representative Committee | - |
| 108 | CSR work of Skill Development through local training agencies executed during FY 2017-18. | Skill Development | Yes | Arunachal Pradesh | Itanagar | 42 | 120.27 | 100.99 | - | No | i) Directorate of Skill Dev. & Enterprises, Govt. of AP, ii) NEPEDS, Guwahati, iii) I-Watch Security & Allied Services, Pvt. Ltd., iv) National Youth Project, Itanagar, v) Don Basco Youth Center, Itanagar, vi) IL&FS Skill Dev. Corp. ltd., Guwahati. | - |
| 109 | Construction of PCC Road in different villages of Shahpur Block, Arrah (Bhojpur District). | Rural Development | Yes | Bihar | Bhojpur (Arrah) | 39 | 80.00 | 32.03 | - | Yes | NHPC | - |
| | Construction of Community Centre, two room with toilet, Chathh Ghat, Vented Crossway, Chabutra with Shed and one no. toilet in different villages of Shahpur Block, Arrah (Bhojpur District). | | Yes | Bihar | Bhojpur (Arrah) | 42 | 47.00 | 0.00 | - | Yes | NHPC | - |
| | Providing Basic need facilities after need based survey in Education up gradation, Rural infrastructure, Health care promotion, Sanitation, Livelihood etc. in various village of Shahpur Block, Bhojpur Dist. (Bihar). | | Yes | Bihar | Bhojpur (Arrah) | 42 | 4.00 | 0.00 | - | Yes | NHPC | - |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 110 | Water Supply Scheme in GSS and other Rural Development projects through State Administration. | Education | Yes | Kerala | Kollam | 15 | 7.01 | 7.01 | - | No | District Administration, Kollam | - |
| 111 | Education through Ekal Vidyalaya, Himachal Pradesh. Bharat Lok Shiksha Parishad. | Education | No | Himachal Pradesh | Banjar, Manali, Mandi, Champavat, Udham Nagar, | 52 | 20.00 | 20.00 | - | No | M/s Bharat Lok Shiksha Parishad, Ajadpur, New Delhi | - |
| 112 | Construction of 6 no. class rooms at Munderi Govt. Higher Secondary School, Kannur, Kerala under the 'Development, Renovation and Advancement Plan'. | | No | Kerela | Kannur | 24 | 126.00 | 126.00 | - | No | M/s Secretary, District Panchayat, Kannur, Kerela. | - |
| 113 | Employment Oriented Vocational Training for Other locations for 3000 youths as approved by MOP (Through NSDC and other SDTs) through T&HRD, CO - Balance Payments (2018-19). | Skill Development | Yes | J&K | Baramulla | 52 | 4.60 | 0.00 | - | No | NSDC | - |
| 114 | Employment Oriented Vocational Training beyond Project periphery (up to 25 Kms.)-3000 Nos. Through NSDC and 1000 Nos. through other Skill Development Agency i.e. NHFDC/ KVIC for livelihood enhancement of Divyang & others (Balance payment 2018-19). | | Yes | J&K | Baramulla | 36 | 129.12 | 129.12 | - | No | NHFDC/ KVIC | - |
| 115 | Orthopedic Camp for free distribution of artificial limbs, clutches and wheel chairs to the selected beneficiaries in Baramulla District (J&K) through CPSU- ALIMCO. | Health & Sanitation | Yes | J&K | Baramulla | 36 | 25.00 | 0.00 | - | No | ALIMCO | - |
| 116 | Proposal for undertaking project under CSR initiative of NHPC for distribution of Aid & Appliances to the persons with disabilities in Chamba District through ALIMCO. | | Yes | HP | Chamba | 32 | 22.45 | 0.00 | - | No | ALIMCO | - |
| 117 | Supply, Installation and maintenance of 2 set PVC Dustbins at different locations in Himachal Pradesh through EESL. | Swachh Bharat Abhiyan | No | Himachal Pradesh | Shimla & Kangra | 18 | 138.00 | 137.71 | - | No | M/s Energy Efficiency services Ltd. (EESL), Delhi-110003. | - |

| Sl. NO. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (months) | Amount allocated to the project | Amount spent in the current FY | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 118 | Implementation of LED based Solar Public Lighting (High Mast) and Solar Street Lights in outer rural areas of Kanpur District, Uttar Pradesh through EESL (Balance Payment). | Rural Development | No | Uttar Pradesh | Kanpur | 78 | 55.34 | 53.94 | - | No | M/s Energy Efficiency services Ltd. (EESL), Delhi-110003. | - |
| 119 | Construction of community centres in Basti District, U.P. through Bhartiya Co-operative Gramin Vikas Evam Nirman Ltd., Lucknow (Recommended by Sh. Harish Dwivedi, MP). | | No | Uttar Pradesh | Basti | 18 | 15.00 | 13.50 | - | No | M/s Bhartiya Co-operative Gramin Vikas Evam Nirman Ltd., Lucknow, UP. | - |
| 120 | Project proposal request for Grant in Aid for the project "PAD WOMEN" menstrual health awareness and livelihood Program for the women of the underprivileged section of the Society in Mewat region of Haryana through Nutan Prayatn (One of aspirational district identified by Niti Aayog/DPE). | Women Empowerment & Senior Citizen | No | Haryana | Mewat | 30 | 5.74 | 3.50 | - | No | Nutan Prayatn, Mukundpur, Delhi-110042. | - |
| 121 | Establishment of 01 No Sanitary Napkin Unit in Hathin Block (Mewat, Haryana) under NITI Aayog Scheme for 115 No. Aspirational Districts for women empowerment & livelihood enhancement through collaborative Mode through MOU for Project Sustainability with SPYM. | | No | Haryana | Mewat | 17 | 2.00 | 1.96 | - | No | SOCIETY FOR PROMOTION OF YOUTH & MASSES | - |
| 122 | Supply and Installation of 12 Watt LED Solar Street Light System in various rural villages across Faridabad District (Haryana) - 450 Nos through the approved DPR and MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding through M/s EESL. | Environment | Yes | Haryana | Faridabad | 12 | 48.00 | 47.96 | - | No | M/s Energy Efficiency services Ltd. (EESL), Delhi-110003. | - |
| 123 | Providing of Solar street lights (12 W) in Bijnor Parliamentary constituency through CPSU, M/s REIL. (Recommended by Sh. Kunwar Bhartendra Singh, MP). | | No | Uttar Pradesh | Bijnor | 32 | 1.02 | 0.94 | - | No | Rajasthan Electronic & Instruments Limited. | - |
| 124 | Request for providing Solar High Mast Lights (4 x 18 W) in Mirzapur Parliamentary Constituency of Uttar Pradesh through UP State Undertaking, UPSIC (Recommended by Smt. Anupriya Patel, MP). | | No | Uttar Pradesh | Mirzapur | 30 | 45.00 | 12.22 | - | No | UP Small Industries Corporation Ltd., Prayagraj-211002. | - |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 125 | Proposal for installation of Solar Street Lights (12 W) in Bikaner constituency through CPSU, M/s REIL (Recommended by Sh. Arjun Ram Meghwal, MP). | Environment | No | Rajsthan | Bikaner | 18 | 1.02 | 0.94 | - | No | Rajasthan Electronic & Instruments Limited. | - |
| 126 | Proposal for providing 500 number Solar lights in Siddharth Nagar District of U.P. under CSR through UPSIC. | | No | Uttar Pradesh | Siddharth-nagar | 12 | 50.00 | 0.00 | - | No | UP Small Industries Corporation Ltd., Prayagraj-211002. | - |
| 127 | Publication of Annual Reports, Policies & Other Documents related to CSR. | Capacity Building | Yes | Haryana | Faridabad | 3 | 1.50 | 0.00 | - | Yes | NHPC | - |
| 128 | CSR support on collaborative mode for Providing Bus service for movement of Disabled students from outer rural areas to Hansraj College, University of Delhi. | Education | Yes | Delhi | Delhi | 3 | 10.00 | 9.00 | - | No | Hansraj College, University of Delhi. | - |
| | **G. Total** | | | | | | **2928.45** | **2280.21** | | | | |

**Annexure-B**

## Details of CSR Amount spent against other than the ongoing projects for FY 2020-21 (Refer Sl. No. 8c of CSR Report)

Amount in Rs. lakh

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent in the current FY | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | Name | CSR Registra-tion No. |
| 1 | For COVID-19 augmentation of CCE (Cold chain equipment) infrastructure etc. | Health & Sanitation | Yes | J&K | Srinagar | 21.00 | Yes | NHPC | - |
| 2 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders-CSR. | Education & Skill Development | Yes | J&K | Reasi | 259.19 | Yes | NHPC | - |
| 3 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders-CSR. | Health & Sanitation | Yes | J&K | Reasi | 7.99 | Yes | NHPC | - |
| 4 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | J&K | Reasi | 1.00 | Yes | NHPC | - |
| 5 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR | Education-KV/schools | Yes | J&K | Kishtwar | 307.52 | Yes | NHPC | - |
| 6 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | J&K | Kishtwar | 17.31 | Yes | NHPC | - |
| 7 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | J&K | Kishtwar | 0.88 | Yes | NHPC | - |
| 8 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | J&K | Uri and its surrounding | 1.92 | Yes | NHPC | - |
| 9 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | J&K | Baramulla | 116.69 | Yes | NHPC | - |
| 10 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | J&K | Baramulla | 1.61 | Yes | NHPC | - |
| 11 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | J&K | Baramulla | 11.69 | Yes | NHPC | - |
| 12 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | J&K | Baramulla | 117.17 | Yes | NHPC | - |
| 13 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | J&K | Baramulla | 1.00 | Yes | NHPC | - |
| 14 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | J&K | Bandipora | 3.00 | No | District Development Commissioner Bandipora | - |
| 15 | CSR support to Fire effected families of Bandipora district for purchase of CGI Sheets and blankets. | | Yes | J&K | Bandipora | 2.22 | yes | NHPC | - |
| 16 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Ladakh | Kargil | 12.45 | Yes | NHPC | - |
| 17 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Ladakh | Kargil | 0.97 | Yes | NHPC | - |
| 18 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Ladakh | Leh | 15.60 | Yes | NHPC | - |

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of Project | | Amount spent in the current FY | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | Name | CSR Registration No. |
| 19 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Ladakh | Leh | 0.97 | Yes | NHPC | - |
| 20 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | HP | Chamba | 16.96 | Yes | NHPC | - |
| 21 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | HP | Chamba | 4.98 | Yes | NHPC | - |
| 22 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health and Sanitation | Yes | J&K | Kathua | 6.48 | Yes | NHPC | - |
| 23 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | J&K | Kathua | 0.99 | Yes | NHPC | - |
| 24 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health | Yes | HP | Chamba | 39.86 | Yes | NHPC | - |
| 25 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | HP | Chamba | 1.00 | Yes | NHPC | - |
| 26 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | HP | Chamba | 26.06 | Yes | NHPC | - |
| 27 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | HP | Chamba | 136.58 | Yes | NHPC | - |
| 28 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | HP | Chamba | 0.99 | Yes | NHPC | - |
| 29 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | HP | Chamba | 23.59 | Yes | NHPC | - |
| 30 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | HP | Chamba | 208.02 | Yes | NHPC | - |
| 31 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | HP | Chamba | 0.91 | Yes | NHPC | - |
| 32 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | HP | Chamba | 22.25 | Yes | NHPC | - |
| 33 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | HP | Chamba | 0.97 | Yes | NHPC | - |
| 34 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | Manipur | Churachandpur & Bishnupur | 277.71 | Yes | NHPC | - |
| 35 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Manipur | Churachandpur & Bishnupur | 82.43 | Yes | NHPC | - |
| 36 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Manipur | Churachandpur & Bishnupur | 1.49 | Yes | NHPC | - |
| 37 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | HP | Kullu | 280.96 | Yes | NHPC | - |
| 38 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | | Yes | HP | Kullu/Mandi | 0.49 | Yes | NHPC | - |
| 39 | For COVID-19 augmentation of CCE (Cold chain equipment) infrastructure etc. | Health & Sanitation | Yes | HP | Shimla, Solan, Kangra, Chamba, Una | 81.78 | Yes | NHPC | - |
| 40 | Free medical Eye Camp(Surgical) | | Yes | HP | Kullu | 0.54 | Yes | NHPC | - |

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent in the current FY | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | Name | CSR Registra-tion No. |
| 41 | Assistance to Zonal Hospital, Kullu for combating COVID-19. | Disaster Management | Yes | HP | Kullu | 10.00 | Yes | NHPC | - |
| 42 | Emergent activities for COVID-19 & others. | | Yes | HP | Kullu/Mandi | 4.88 | Yes | NHPC | - |
| 43 | Scholarship to students under "NHPC Scholarship Award Scheme" | Education and Skill Development | Yes | HP | Kullu | 5.28 | Yes | NHPC | - |
| 44 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health | Yes | HP | Kullu | 3.93 | Yes | NHPC | - |
| 45 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | HP | Kullu | 0.78 | Yes | NHPC | - |
| 46 | Emergent activities for COVID-19 & others. | | Yes | Uttarakhand | Garhwal | 0.93 | Yes | NHPC | - |
| 47 | Distribution of PPE kit to Safai Karmchari MC Dehradun. | | Yes | Uttarakhand | Garhwal | 1.62 | Yes | NHPC | - |
| 48 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | Uttarakhand | Pithoragarh | 226.44 | Yes | NHPC | - |
| 49 | Organizing medical camps in the border areas villages of Power Station. | Health and Sanitation | Yes | Uttarakhand | Pithoragarh | 3.47 | Yes | NHPC | - |
| 50 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | | Yes | Uttarakhand | Pithoragarh | 4.41 | Yes | NHPC | - |
| 51 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Uttarakhand | Pithoragarh | 1.49 | Yes | NHPC | - |
| 52 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | Uttarakhand | Champawat | 271.60 | Yes | NHPC | - |
| 53 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Uttarakhand | Champawat | 0.20 | Yes | NHPC | - |
| 54 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Uttarakhand | Champawat | 1.50 | Yes | NHPC | - |
| 55 | Distribution of Food Packets. | Disaster Management | Yes | West Bengal | Jalpaiguri | 3.30 | Yes | NHPC | - |
| 56 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | Sikkim | South Sikkim | 279.99 | Yes | NHPC | - |
| 57 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health Care | Yes | Sikkim | South Sikkim | 31.76 | Yes | NHPC | - |
| 58 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Sikkim | South & West Sikkim | 3.80 | Yes | NHPC | - |
| 59 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | Sikkim | East & South Sikkim | 249.42 | Yes | NHPC | - |
| 60 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Sikkim | East & South Sikkim | 61.06 | Yes | NHPC | - |
| 61 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Sikkim | East Sikkim | 1.98 | Yes | NHPC | - |
| 62 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | West Bengal | Darjeeling | 139.54 | Yes | NHPC | - |

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent in the current FY | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | Name | CSR Registra-tion No. |
| 63 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | West Bengal | Darjeeling | 12.10 | Yes | NHPC | - |
| 64 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | West Bengal | Darjeeling | 4.35 | Yes | NHPC | - |
| 65 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | West Bengal | Kalimpong and Darjeeling | 2.95 | Yes | NHPC | - |
| 66 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Sikkim | North Sikkim | 0.45 | Yes | NHPC | - |
| 67 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education | Yes | Assam/ Arunachal Pradesh | Dhemaji/Kamle | 167.22 | Yes | NHPC | - |
| 68 | Providing medical equipment in PHC/ CHC for Up gradation of health facility in Dhemaji & Lakhimpur Districts (Assam) & Kamle District (Arunachal Pradesh). | Health & Sanitation | Yes | Assam/ Arunachal Pradesh | Dhemaji/ Kamle/ lakhimpur | 18.83 | Yes | NHPC | - |
| 69 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | | Yes | Assam/ Arunachal Pradesh | Dhemaji/ Kamle | 88.66 | Yes | NHPC | - |
| 70 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Assam/ Arunachal Pradesh | Dhemaji/ Kamle/ lakhimpur | 15.98 | Yes | NHPC | - |
| 71 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Arunachal Pradesh | Lower Dibang Valley | 11.09 | Yes | NHPC | - |
| 72 | For COVID-19 augmentation of CCE (Cold chain equipment) infrastructure etc. | | No | Arunachal Pradesh | Papumpare | 8.26 | No | Directorate of family welfare, govt of Arunachal Pradesh, Naharlagun | - |
| 73 | Emergent activities for COVID-19 & others. | Disaster Management | Yes | Arunachal Pradesh | Lower Dibang Valley | 0.20 | Yes | NHPC | - |
| 74 | Contribution for providing equipment to Sadar Hospital, Arrah (Bihar) by Power Sector PSUs (NHPC share) through District Magistrate, Arrah. | | Yes | Bihar | Bhojpur (Arrah) | 4.27 | No | District Magistrate, Arrah. | - |
| 75 | Emergent activities for COVID-19 & others. | | Yes | Rajasthan | Jaisalmer | 0.99 | Yes | NHPC | - |
| 76 | Emergent activities for COVID-19 & others. | | Yes | Tamil Nadu | Dindigul | 0.96 | Yes | NHPC | - |
| 77 | Emergent activities for COVID-19 & others. | | Yes | Kerala | Kollam | 1.00 | No | West Kallada Grama Panchayat,Kollam District | - |
| 78 | CSR support for setting up a Project Management Unit (PMU) for institutionalizing "Shikshit Haryana" Project to improve pass percentage of Govt. schools. | Education | Yes | Haryana | Faridabad | 4.00 | No | District Magistrate, Faridabad, Haryana | - |

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent in the current FY | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State/UT | District | | | Name | CSR Registra-tion No. |
| 79 | CSR support to Prakash Deep Trust for purchasing of NCERT Text Book sets for Class 6th Students. | Education | Yes | Haryana | Faridabad | 0.25 | No | M/s Prakash Deep Trust, Faridabad. | - |
| 80 | Financial support to Anushruti Academy for the Deaf (AAD), IIT Roorkee for Improving the Drawing & Painting Lab. | | No | Uttarakhand | Roorkee | 3.40 | No | The Dean of Resources & Alumni Affairs, IIT, Roorkee. | - |
| 81 | Arranging urgent facilities/ procurement of equipment for testing & treatment of COVID-19 cases in Govt. Medical College, Periyaram, and Kannur. | Health & Sanitation | No | Kerela | Kannur | 9.85 | No | The Principal, Govt. Medical College, Kannur, Kerala. | - |
| 82 | For purchase and installation of one no. of 125 KVA Generator Set for Covid Care Center, Deoria. (Through DM Deoria). | | No | Uttar Pradesh | Deoria | 11.05 | No | District Magistrate, Deobriya, Uttar P radesh | - |
| 83 | CSR Support for supply, installation & commissioning of one RO System with capacity of 250 LPH at National association for the Blind (Haryana State Branch Faridabad) | | Yes | Haryana | Faridabad | 1.00 | No | National Assosiation for The Blind, State Branch Faridabad. | - |
| 84 | CSR support for Providing 10 no. Industrial Sewing Machines for empowerment of women/ girls to Shirdi Sai Baba Temple Society, Faridabad. | Women Empowerment & Senior Citizen | Yes | Haryana | Faridabad | 2.04 | No | Shirdi Sai Baba Temple Society, Sai Dham. | - |
| 85 | CSR Support for installation of 100 nos. high mast solar lights in legislative assembly, Sarojani Nagar district Lucknow. | Environment | No | Uttar Pradesh | Sarojani Nagar | 12.00 | No | Bhartiya Co-operative Gramin Vikas Evam Nirman Ltd., Lucknow | - |
| 86 | Contribution for plantation and 5 years maintenance of 200 trees at Parikrama Marg, Giriraj Talhati, Govardhan, Mathura | | No | Uttar Pradesh | Mathura | 4.38 | No | Vanshivat Ashram, Govardhan, Mathura | - |
| 87 | Assistance to Red Cross Society, Faridabad for COVID-19 | Disaster Management | Yes | Haryana | Faridabad | 2.00 | No | Red Cross Socity, Faridabad | - |
| 88 | Contribution to PM CARES Fund | | Yes | Delhi | Delhi | 1500.00 | Yes | NHPC | - |
| | **G. Total** | | | | | **5309.87** | | | |

**Annexure-C**

## Details of CSR amount spent in FY 2020-21 for ongoing projects of the preceeding Financial year(s) (refer Sl No. 9b of CSR Report)

Amount in Rs. lakh

| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (months) | Total Amount allocated to the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting financial year | Status of the project completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 1 | 1904103001 | Improvement of existing buildings and construction of boundary walls, protection wall, other facilities in Govt. schools in Trintha, Bakkal, Kundra, Kheral, Chinkha, Pony, educational zones of Reasi. | 2019-20 | 12 | 51.20 | 36.41 | 51.11 | Work Completed. |
| 2 | 1903103001 | Organizing Medical Camps (Minimum 2-3 camps or as per medical requirements in one or two focused locations on regular intervals for sustainable healthcare). | 2019-20 | 9 | 3.72 | 2.78 | 3.71 | Work Completed. |
| 3 | 1912103002 | Adoption of village Bidda in district Reasi by Salal Power Station as Adarsh Gaon through MOU with Distt. Authority on collaborative mode with Distt. Administration. | 2019-20 | 21 | 99.11 | 19.73 | 30.88 | |
| | | a) RCC surface water tank. | | | | | | Work Completed. |
| | | b) Construction of retaining wall and black topping of Bidda road. | | | | | | Ongoing |
| 4 | 1912103003 | Improvement/ extension & providing of Water Supply to village Kotla and Theru (Ransoo) Distt. Reasi through gravity subject to approved DPR, MOU and all clearances from Distt. Authority on collaborative mode. | 2019-20 | 18 | 39.67 | 16.50 | 39.50 | Ongoing |
| 5 | 1904109003 | Repair of Compound Wall and Floor of the Govt. Middle School, Bagwan Mohalla, Kishtwar subject to approved DPR, all clearances from Distt. Authority and MOU with District authority. | 2019-20 | 22 | 6.60 | 0.67 | 1.17 | Ongoing |
| 6 | 1904109002 | Maintenance/ repair/ renovation of building of Govt. Girls H. School Sangrambhata, Kishtwar. | 2019-20 | 24 | 7.40 | 3.14 | 3.70 | Ongoing |
| 7 | 1903109003 | Providing C-ARM Compatible Hydraulic O Table emergency trolley suction machine & other item to District Hospital Kishtwar. | 2019-20 | 11 | 6.88 | 6.88 | 6.88 | Work Completed. |
| 8 | 1903109002 | Construction of Toilet Complex at Tuberculosis Centre, Kishtwar through MOU with Distt. Administration. | 2019-20 | 22 | 7.43 | 0.00 | 3.84 | Ongoing |
| 9 | 1903109004 | Distribution of food and health items for COVID 19. | 2019-20 | 3 | 3.12 | 3.10 | 3.10 | Work Completed. |
| 10 | 1906109001 | Development of Herbal Park for Preventive health care and developing area through Plantation for Environment sustainability at Noapachchi of Barsar HEP location in Block Marwa through MOU with Distt. Admn. On collaboration mode. | 2019-20 | 21 | 8.07 | 0.00 | 1.14 | Ongoing |
| 11 | 1915109001 | Adoption and development maintenance of Chowgan Ground Kishtwar and doing activities under Swachh Bharat Abhiyan through MOU with Distt. Administration/ Municipal Corporation, Kishtwar. | 2019-20 | 21 | 6.99 | 0.00 | 5.96 | Ongoing |

| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (months) | Total Amount allocated to the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting financial year | Status of the project completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 12 | 1903106002 | Providing for machinery equipments in various health care centres of Districts (like PHC/ CHC and Sub District Hospitals) viz. USG Color Doppler, X-ray Machine, Urine Analyzer, Cardiac Monitor, Oxygen Concentration, Generator Set, CR System, Dental Chain in District-Baramulla (J&K). | 2019-20 | 18 | 697.08 | 555.58 | 555.58 | Ongoing |
| 13 | 1903106003 | Civil Works and Machinery equipments for Health Care Centres, Sopore, District-Baramulla (J&K). | 2019-20 | 22 | 103.30 | 100.05 | 100.05 | Ongoing |
| 14 | 1804106001 | Up gradation of infrastructure-Construction of School building in Gingle High School in place of Old Building damaged in earthquake in 2005. | 2019-20 | 24 | 14.94 | 8.41 | 14.93 | Ongoing |
| 15 | 1804106002 | Up gradation of infrastructure-Balance Work of Partially Constructed School Building in Govt. High School Gingle. | 2019-20 | 8 | 10.36 | 0.97 | 10.00 | Work Completed. |
| 16 | 1804106003 | Up gradation of infrastructure- Balance Work of Partially Constructed School Building in Govt. High School Dhani Syedan. | 2019-20 | 12 | 16.01 | 7.86 | 15.25 | Work Completed. |
| 17 | 1912106001 | Modernization of Horticulture Nurseries at Khawaja Bagh, Baramulla and Baghi Sundari Sopore (for Capacity enhancement). | 2019-20 | 18 | 43.00 | 43.00 | 43.00 | Ongoing |
| 18 | 1803116002 | Renovation of existing water source and construction of wash area for villagers of Lagama. | 2018-19 | 12 | 0.71 | 0.00 | 0.43 | Work Completed. |
| 19 | 1803116004 | Digital X Ray Plant for Uri Hospital through MOU with district administration for CSR sustainability. | 2019-20 | 5 | 17.86 | 17.80 | 17.80 | Work Completed. |
| 20 | 1803116005 | Ultra Sound with Colour Doppler for Uri Hospital through MOU with District Administration for CSR sustainability. | 2019-20 | 5 | 6.94 | 6.92 | 6.92 | Work Completed. |
| 21 | 1614116001 | Construction of toilets in schools. | 2016-17 | 74 | 5.15 | 0.00 | 2.79 | Work Completed. |
| 22 | 1812116003 | Construction of fencing for grave yard at Salamabad Village. | 2018-19 | 32 | 5.08 | 0.00 | 3.58 | Work Completed. |
| 23 | 1812116004 | Strengthening of bridge abutment and construction of footpath near middle school Jabla. | 2018-19 | 18 | 4.00 | 1.27 | 1.27 | Ongoing |
| 24 | 1812116008 | Rural Development of Salamabad Village, Upgradation & repairing of Govt. Hr. Sec. Salamabad through MOU with District Administration for CSR sustainability. | 2019-20 | 24 | 5.00 | 2.74 | 2.74 | Ongoing |
| 25 | 1812116012 | Construction of Shamshan Ghat and approach to Shamshan Ghat in Jabla Village through MOU with district administration for CSR sustainability. | 2018-19 | 9 | 21.13 | 0.00 | 13.70 | Work Completed. |
| 26 | 1812116013 | Construction of footpath to Bagratoo Dachi Village through MOU with District Administration for CSR sustainability. | 2018-19 | 12 | 13.95 | 0.00 | 10.25 | Ongoing |
| 27 | 1915116001 | Construction of Toilet, Wash area & Tiles work at Ziyarat –Syed Wahab Uddin Bukhari Near Bus Stand Uri. | 2019-20 | 18 | 0.00 | 0.00 | 0.00 | Ongoing |

| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (months) | Total Amount allocated to the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting financial year | Status of the project completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 28 | 1804120001 | Establishment of Digital Smart Class Rooms with computer lab along with accessories at HS Wanpora, Gurez through MOU with District Administration for CSR sustainability. | 2018-19 | 17 | 13.09 | 11.84 | 13.09 | Work Completed. |
| 29 | 1903120001 | Organizing Medical Camps at Bandipora and Gurez Locations. | 2019-20 | 21 | 13.91 | 0.00 | 3.74 | Work Completed. |
| 30 | 1903120002 | Providing of medical equipment to District Hospital Bandipora and Sub District Hospital, Gurez through MOU with District Authority for maintenance and sustainability. | 2019-20 | 17 | 13.86 | 10.59 | 13.86 | Work Completed. |
| 31 | 1903120003 | Covid-19 assistance to District administration. | 2019-20 | 15 | 2.00 | 0.00 | 0.00 | Ongoing |
| 32 | 1812120003 | Installation of 10 Nos. High Mast Solar Lights with Five (05) years maintenance for Gurez (4 x40 Watt) through MOU with district administration/ JKEDA for CSR sustainability. | 2018-19 | 12 | 13.60 | 12.30 | 13.60 | Work Completed. |
| 33 | 1812120001 | Construction of 2/3 Culverts and Repairing/ extension of water supply Line in Check Village, Bandipora (J&K). | 2018-19 | 36 | 13.96 | 0.00 | 6.36 | Ongoing |
| 34 | 1812120002 | Repair, Restoration and Cleaning of Kuls, Culverts and Footpaths for nearby villages-Kralpora, Check, Mantrigram, Chandaji and Gurez through District Administration with MOU route for CSR Sustainability and overlapping of Govt. Funding. | 2019-20 | 29 | 7.02 | 1.60 | 1.84 | Ongoing |
| 35 | 1912120001 | Repair and maintenance of Kuls in nearby villages through MOU with District Authority for maintenance and sustainability. | 2019-20 | 26 | 23.85 | 12.20 | 19.10 | Ongoing |
| 36 | 1912120002 | Repair and maintenance of local water supply line in nearby villages such as Karalpora, Mantrigam, Chandaji and Check through MOU with District Authority for sustainability. | 2019-20 | 20 | 13.17 | 0.00 | 0.46 | Ongoing |
| 37 | 1706120001 | Solar Street Lighting of approach Roads leading to Project through MOU with JKEDA for up keeping and maintenance support for 5 years. | 2017-18 | 48 | 58.71 | 0.00 | 24.04 | Ongoing |
| 38 | 1806120001 | Solar street lights in Check village, Bandipora. | 2019-20 | 29 | 9.68 | 0.00 | 1.48 | Ongoing |
| 39 | 1906120001 | Plantation under "Pollution abating Plants Abhiyan (PAPA) through district administration on MOU route for CSR sustainability through District Forest Department. | 2019-20 | 20 | 5.00 | 0.00 | 0.00 | Ongoing |
| 40 | 1715120001 | Development of Gulshan Chowk in Bandipora. | 2017-18 | 39 | 84.93 | 55.53 | 84.93 | Work Completed. |
| 41 | 1715120002 | Development of Bandipora Nishat Garden through MOU with Distt. Administration. | 2017-18 | 39 | 125.90 | 110.90 | 125.90 | Work Completed. |
| 42 | 1909120001 | Strengthening by way of training and material for local sports, art & culture through MOU with district administration for CSR sustainability. | 2019-20 | 20 | 5.00 | 2.15 | 4.61 | Work Completed. |

| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (months) | Total Amount allocated to the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting financial year | Status of the project completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 43 | 1912122001 | Providing Drinking Water during winter through Tanker. | 2019-20 | 14 | 8.63 | 1.13 | 8.61 | Work Completed. |
| 44 | 1903121002 | Providing Drinking Water facility through Bore well and Laying of Pipelines at Khaltse Village through MOU with Sustainability Plan with Panchayat and District Administration. | 2019-20 | 22 | 20.00 | 0.00 | 18.00 | Ongoing |
| 45 | 1912113003 | Construction of a new Community Centre Complex (including toilet) at Khaddi Panchayat through MOU for CSR sustainability for up keeping and maintenance on collaborative mode. | 2019-20 | 9 | 5.10 | 5.10 | 5.10 | Work Completed. |
| 46 | 1912113004 | Construction of Rain Shelters cum Bus stops at Chandiya in Bani and Saroga (Ward 2) Draman Panchayat through MOU with District Authority for sustainability, up keeping on collaborative mode. | 2019-20 | 8 | 5.86 | 4.15 | 5.01 | Work Completed. |
| 47 | 1906113001 | Cleaning of a small water body near to Powerhouse and repair of adjoining storage water tank for the drinking & household needs of villagers through MOU with District authority for future up keeping and maintenance on collaborative mode. | 2019-20 | 10 | 2.27 | 1.74 | 2.01 | Work Completed. |
| 48 | 1906113002 | Reconstruction and repair of flood-ravaged Manjhiri Park at Bani through MOU with District authority for CSR sustainability on collaborative mode for future. | 2019-20 | 10 | 8.19 | 7.00 | 7.59 | Work Completed. |
| 49 | 1904101003 | Providing financial assistance for Adarsh Khel Vidyalaya for improvement of Sports activities at 12 schools in Distt. Chamba. | 2019-20 | 3 | 2.45 | 2.44 | 2.44 | Work Completed. |
| 50 | 1915101001 | Construction of Toilet at Govt. Primary School Sarowa, Post-Lesui, Teh-Churah, Distt-Chamba (H.P.). | 2019-20 | 6 | 3.50 | 2.86 | 2.86 | Work Completed. |
| 51 | 1912101004 | Construction of two rooms at Govt. Primary School, Bhandar through MOU with District Administration for future up keeping and maintenance. | 2019-20 | 16 | 6.51 | 4.52 | 4.52 | Ongoing |
| 52 | 1912101005 | Renovation of Class room at Govt. Primary School, Bhandar through MOU with District Administration for future up keeping and maintenance. | 2019-20 | 6 | 3.50 | 2.66 | 2.66 | Work Completed. |
| 53 | 1912101001 | Re-construction of Surangani Bus Stand through MOU with District Administration for future up keeping and maintenance. | 2019-20 | 6 | 15.00 | 9.06 | 9.06 | Ongoing |
| 54 | 1903105002 | Fund for Fighting with Covid-19 | 2019-20 | 7 | 5.00 | 4.97 | 4.97 | Work Completed. |
| 55 | 1906105001 | Providing Solar street lights at Village Rupani (Thadi), Gram Panchayat Rupani, Dist-Chamba (HP) through MOU with District Authorities for CSR sustainability. | 2019-20 | 4 | 5.64 | 5.63 | 5.63 | Work Completed. |
| 56 | 1906105002 | Providing Solar street lights at Village Mail, Dist-Chamba (HP ) through MOU with District Authority for CSR sustainability. | 2019-20 | 4 | | | | |

<table>
<tr><th>Sl. No.</th><th>Project ID</th><th>Name of the Project</th><th>Financial year in which the project was commenced</th><th>Project Duration (months)</th><th>Total Amount allocated to the project</th><th>Amount spent on the project in the reporting FY</th><th>Cumulative Amount spent at the end of reporting financial year</th><th>Status of the project completed/ ongoing</th></tr>
<tr><td>57</td><td>1906105003</td><td>Providing Solar street lights at Village Rajnagar, Dist-Chamba (HP) through MOU with District Authorities for CSR sustainability.</td><td>2019-20</td><td>4</td><td rowspan="3">5.64</td><td rowspan="3">5.63</td><td rowspan="3">5.63</td><td rowspan="3">Work Completed.</td></tr>
<tr><td>58</td><td>1906105005</td><td>Providing Solar street lights at Village Simni, Dist-Chamba (HP) through MOU with District Authority for CSR sustainability.</td><td>2019-20</td><td>4</td></tr>
<tr><td>59</td><td>1906105006</td><td>Providing Solar street lights at Village Bhanota, Dist-Chamba (HP) through MOU with District Authority for CSR sustainability.</td><td>2019-20</td><td>4</td></tr>
<tr><td>60</td><td>1915105002</td><td>Renovation of Toilets at Govt. Primary School, Simni, Dist-Chamba through MOU with District Authority for CSR sustainability.</td><td>2019-20</td><td>7</td><td>1.30</td><td>1.29</td><td>1.29</td><td>Work Completed.</td></tr>
<tr><td>61</td><td>1903108002</td><td>Providing 1.5 Tesla MRI Machine.</td><td>2019-20</td><td>18</td><td>300.00</td><td>0.00</td><td>300.00</td><td>Ongoing</td></tr>
<tr><td>62</td><td>1903108003</td><td>Providing 64 slice CT Scan machine with CMC for 8 years.</td><td>2019-20</td><td>18</td><td>600.00</td><td>0.00</td><td>600.00</td><td>Ongoing</td></tr>
<tr><td>63</td><td>1904108004</td><td>Addition and alteration of Govt. Middle School, Kasakra, Chamba.</td><td>2019-20</td><td>6</td><td>2.97</td><td>0.38</td><td>2.95</td><td>Work Completed.</td></tr>
<tr><td>64</td><td>1907108001</td><td>Protection and restoration works for Historical Chogan adjacent to Zonal Hospital Chamba.</td><td>2019-20</td><td>18</td><td>17.26</td><td>9.50</td><td>12.02</td><td>Ongoing</td></tr>
<tr><td>65</td><td>1904117001</td><td>Renovation of Kitchen and dining hall at State Tribal Girls Hostel, Bharmour.</td><td>2019-20</td><td>4</td><td>5.00</td><td>4.81</td><td>4.81</td><td>Work Completed.</td></tr>
<tr><td>66</td><td>1912117002</td><td>Installation of Street Lights at Chhatradi Village through MOU mode with District Administration.</td><td>2019-20</td><td>6</td><td>4.50</td><td>4.34</td><td>4.34</td><td>Work Completed.</td></tr>
<tr><td>67</td><td>1912102002</td><td>Improvement in Solid waste management system under Swatch Bharat Abhiyan in Ningthoukhong Garbase Park under dag No.1/9 Khudithibi area including recycling of Solid Waste through MOU with District authority for CSR sustainability.</td><td>2019-20</td><td>12</td><td>12.03</td><td>10.66</td><td>12.02</td><td>Work Completed.</td></tr>
<tr><td>68</td><td>1912102003</td><td>Construction of waiting shed attached with toilet and village drainage at Ithai Barrage area and Laikhong.</td><td>2019-20</td><td>4</td><td>7.45</td><td>0.19</td><td>7.44</td><td>Work Completed.</td></tr>
<tr><td>69</td><td>1704102003</td><td>Construction of public library Building at Ningthokhong.</td><td>2017-18</td><td>28</td><td>4.17</td><td>0.04</td><td>3.11</td><td>Work Completed.</td></tr>
<tr><td>70</td><td>1912112001</td><td>CSR support for development of Adarsh Gaon under Old Manali Distt. Work implementation through State PWD, H.P. through MOU with long term sustainability plan(Recommended by Shri Ram Swaroop Sharma, M.P. Lok Sabha).</td><td>2019-20</td><td>18</td><td>43.80</td><td>27.60</td><td>42.70</td><td>Work Completed.</td></tr>
<tr><td>71</td><td>1904119002</td><td>Construction of Girls Toilets at GHS, Sari.</td><td>2019-20</td><td>12</td><td>3.50</td><td>1.40</td><td>2.57</td><td>Ongoing</td></tr>
<tr><td>72</td><td>1904119003</td><td>Providing Desk-Beanch, Various Sports items, public Address System, Water purifiers. Water tanks, Computers, Printers, incinerator, Sanity Napkin vending & Disposal System to Govt. primary school, Ropa, GSSS Sainj, Sewing Machines for Silai Training centres running at project affected villages etc.</td><td>2019-20</td><td>5</td><td>0.75</td><td>0.74</td><td>0.74</td><td>Work Completed.</td></tr>
<tr><td>73</td><td>1904119004</td><td>Protection railing for playground at GPS & GHS Kanon.</td><td>2019-20</td><td>11</td><td>3.08</td><td>1.81</td><td>3.01</td><td>Work Completed.</td></tr>
</table>

| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (months) | Total Amount allocated to the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting financial year | Status of the project completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 74 | 1903119002 | Construction, repairing of toilets at GSSS, Sainj. | 2019-20 | 6 | 2.50 | 1.35 | 2.25 | Work Completed. |
| 75 | 1903125002 | CSR activities related with COVID-19. | 2019-20 | 12 | 5.00 | 5.00 | 5.00 | Work Completed. |
| 76 | 1904110001 | Construction of Auditorium at Government Inter College, Khet near Dam Site. | 2019-20 | 17 | 9.59 | 0.00 | 3.50 | Ongoing |
| 77 | 1903110002 | Providing drinking water tank and 300 meter water supply line at Sairi Village, Khela. | 2019-20 | 6 | 4.74 | -0.01 | 4.73 | Work Completed. |
| 78 | 1912110001 | Construction of Ambedkar Bhawan at Tok-Chetakala, Village Khela. | 2019-20 | 6 | 15.50 | 8.80 | 15.43 | Work Completed. |
| 79 | 1915110001 | Construction of community toilet at Village - Dugtu, Syankuri, Ishu, Ranthi and Kalika through MOU with District Authority for CSR sustainability of long term maintenance on collaborative mode. | 2019-20 | 4 | 16.86 | 3.27 | 16.86 | Work Completed. |
| 80 | 1904104001 | Digital Support with Computers and Science lab Apparatus to Sahi Uttam Chand Saraswati Vidya Mandhir Govt. School Banbassa through all clearances and MOU with school management for CSR sustainability. | 2019-20 | 24 | 2.30 | 0.09 | 0.09 | Ongoing |
| 81 | 1904104004 | Providing 2 Nos. Computers to Manihatigoth, Govt. school, Tanakpur. | 2019-20 | 24 | 1.00 | 0.09 | 0.09 | Ongoing |
| 82 | 1815104002 | Construction of 02 Nos. toilets at Govt. Higher Secondary School Chhinigoth through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | 2019-20 | 15 | 5.00 | 3.99 | 3.99 | Ongoing |
| 83 | 1815104003 | Construction & Renovation work of 02 Nos. Ladies Toilets in Govt. College Tanakpur through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | 2019-20 | 15 | | 0.00 | 1.97 | Ongoing |
| 84 | 1904153001 | For Purchase of Computers for Schools. | 2019-20 | 8 | 3.37 | 2.86 | 2.86 | Work Completed. |
| 85 | 1904107002 | Maintenance and Up-Gradation of Class room and play ground of Dhargaon Primary School, South Sikkim through MOU with District authority for CSR sustainability. | 2019-20 | 10 | 6.70 | 5.66 | 6.60 | Work Completed. |
| 86 | 1904107003 | Construction of Multi-purpose activities hall and school ground enlargement and fencing of Government Junior High School, Dalep-Kewzing, West Sikkim through MOU with District Authority for CSR sustainability. | 2019-20 | 9 | 20.67 | 19.87 | 19.87 | Work Completed. |
| 87 | 1904107005 | Construction of sheds for school Gallery in Jarrong Senior Secondary School, Jarrong, West Sikkim through MOU with District Authority for CSR sustainability. | 2019-20 | 12 | 10.14 | 9.39 | 9.39 | Work Completed. |
| 88 | 1904107006 | Introduction of New trade & Provisioning of Tools and equipment at ITI, Geyzing West Sikkim. | 2019-20 | 13 | 53.00 | 29.12 | 51.12 | Work Completed. |

| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (months) | Total Amount allocated to the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting financial year | Status of the project completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 89 | 1904107001 | Providing Scholarship for higher studies under 'NHPC Scholarship award scheme' | 2019-20 | 12 | 1.44 | 0.48 | 0.96 | Work Completed. |
| 90 | 1803107004 | Support for Hospital Healthcare up gradation with Medical Equipment to the District Hospital, West Sikkim to improve its infrastructural facility in the region through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | 2019-20 | 15 | 6.50 | 1.00 | 6.50 | Work Completed. |
| 91 | 1712107001 | Construction of Multipurpose Hall at Leg ship through MOU with Dist. Authority with long term sustainability plan. | 2019-20 | 11 | 15.75 | 11.75 | 15.75 | Work Completed. |
| 92 | 1904111003 | Providing musical equipment to Surya Daya Jan Kalyan Samiti, a Club located at Ralep, East Sikkim for organizing. | 2019-20 | 7 | 1.00 | 0.92 | 0.92 | Work Completed. |
| 93 | 1604111002 | Construction of ITI at Chandey. | 2014-15 | 90 | 315.50 | 15.50 | 315.50 | Ongoing |
| 94 | 1712111002 | Construction of Sheda (Manastic) School building and repair/painting of Monastery at Lum Village, North Sikkim, through MOU with Education Department for CSR sustainability. | 2017-18 | 7 | 20.17 | 3.36 | 20.15 | Work Completed. |
| 95 | 1812111001 | Construction of 10 Nos. Public Toilets with Sustainable mode in Public Private Partnership in and around Teesta-V Township through MOU with District Administration for CSR sustainability. | 2018-19 | 7 | 2.58 | 2.34 | 2.34 | Work Completed. |
| 96 | 1812111002 | Construction of community centre through MOU with district administration for CSR sustainability. | 2018-19 | 7 | 5.58 | 1.83 | 5.33 | Work Completed. |
| 97 | 1905111001 | Arrangement of training to local self-help groups on tailoring, knitting, fast food making and providing raw materials, machines and accessories etc. during training and distribution thereof for livelihood generation & employment in co-ordination with district administration | 2019-20 | 2 | 1.52 | -0.03 | 1.49 | Work Completed. |
| 98 | 1905111001 | Arrangement of training to local self-help groups on tailoring, knitting, fast food making and providing raw materials, machines and accessories etc. during training and distribution thereof for livelihood generation & employment in co-ordination with district administration. | 2019-20 | 6 | 5.88 | 1.33 | 5.81 | Work Completed. |
| 99 | 1815111001 | Construction of Toilets at various public places, community locations, schools etc. through MOU with district administration for CSR sustainability, up keeping and maintenance on collaborative mode and avoiding overlapping of Govt. Funding. | 2018-19 | 17 | 21.45 | 8.58 | 21.44 | Work Completed. |
| 100 | 1604114001 | Engineering College in takdah | 2016-17 | 124 | 350.00 | 100.00 | 350.00 | Ongoing |
| 101 | 1612114003 | Construction of community Hall along with kitchen and toilet at 74 Dhuta, Mumgpoo. | 2016-17 | 21 | 23.43 | 0.58 | 22.86 | Work Completed. |

| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (months) | Total Amount allocated to the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting financial year | Status of the project completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 102 | 1812114003 | Construction of community hall with toilet and kitchen at Deorali, Teesta Valley through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | 2018-19 | 6 | 24.06 | 19.50 | 24.06 | Work Completed. |
| 103 | 1604118003 | Engineering College at Takdah. | 2016-17 | 124 | 350.00 | 100.00 | 350.00 | Ongoing |
| 104 | 1812118007 | Construction of community Hall at Shepkhola Village through MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding. | 2018-19 | 15 | 12.41 | 11.71 | 11.71 | Work Completed. |
| 105 | 1615115003 | Safe Drinking Water facilities with bore well, filtration as per site requirement in public areas, community centers etc. | 2016-17 | 72 | 1264.28 | 24.89 | 1264.17 | Ongoing |
| 106 | 1614115002 | Balance funding of the approved construction of 143 toilets in schools/public places through MOU for sustainability plan with school management Committee/District authority. | 2016-17 | 52 | 404.38 | 0.45 | 402.83 | Ongoing |
| 107 | 1915115001 | 10 RO Cum Sanitation Complex through MOU with District authority for CSR sustainability. | 2019-20 | 72 | 59.99 | 24.76 | 59.75 | Ongoing |
| 108 | 1704147001 | CSR work of Skill Development through local training agencies executed during FY 2017-18. | 2017-18 | 42 | 120.27 | 100.99 | 100.99 | Work Completed. |
| 109 | 1712508001 | Construction of PCC Road in different villages of Shahpur Block, Arrah (Bhojpur District). | 2017-18 | 39 | 354.78 | 32.03 | 306.81 | Ongoing |
| | | Construction of Community Centre, two room with toilet, Chathh Ghat, Vented Crossway, Chabutra with Shed and one no. toilet in different villages of Shahpur Block, Arrah (Bhojpur District). | 2017-18 | 42 | 47.00 | 0.00 | 0.00 | Ongoing |
| | | Providing Basic need facilities after need based survey in Education up gradation, Rural infrastructure, Health care promotion, Sanitation, Livelihood etc. in various village of Shahpur Block, Bhojpur Dist. (Bihar). | 2017-18 | 42 | 211.19 | 0.00 | 207.19 | Ongoing |
| 110 | 1804100006 | Water Supply Scheme in GSS and other Rural Development projects through State Administration. | 2018-19 | 15 | 7.01 | 7.01 | 7.01 | Work Completed. |
| 111 | 1704100003 | Education through Ekal Vidyalaya, Himachal Pradesh. Bharat Lok Shiksha Parishad. | 2017-18 | 24 | 20.00 | 20.00 | 20.00 | Work Completed. |
| 112 | 1904100003 | Construction of 6 no. class rooms at Munderi Govt. Higher Secondary School, Kannur, Kerala under the 'Development, Renovation and Advancement Plan'. | 2019-20 | 24 | 126.00 | 126.00 | 126.00 | Ongoing |
| 113 | 1604100002 | Employment Oriented Vocational Training for Other locations for 3000 youths as approved by MOP (Through NSDC and other SDTs) through T&HRD, CO - Balance Payments (2018-19). | 2016-17 | 52 | 149.65 | 0.00 | 145.05 | Ongoing |
| 114 | 1804100005 | Employment Oriented Vocational Training beyond Project periphery (up to 25 Kms.)-3000 Nos. Through NSDC and 1000 Nos. through other Skill Development Agency i.e. NHFDC/ KVIC for livelihood enhancement of Divyang & others (Balance payment 2018-19). | 2018-19 | 36 | 702.94 | 129.12 | 702.94 | Ongoing |

| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (months) | Total Amount allocated to the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting financial year | Status of the project completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 115 | 1803100001 | Orthopedic Camp for free distribution of artificial limbs, clutches and wheel chairs to the selected beneficiaries in Baramulla District (J&K) through CPSU- ALIMCO. | 2018-19 | 36 | 25.00 | 0.00 | 0.00 | Ongoing |
| 116 | 1803100004 | Proposal for undertaking project under CSR initiative of NHPC for distribution of Aid & Appliances to the persons with disabilities in Chamba District through ALIMCO. | 2018-19 | 32 | 22.45 | 0.00 | 0.00 | Ongoing |
| 117 | 1615100007 | Supply, Installation and maintenance of 2 set PVC Dustbins at different locations in Himachal Pradesh through EESL. | 2018-19 | 18 | 576.00 | 137.71 | 575.71 | Work Completed. |
| 118 | 1612100004 | Implementation of LED based Solar Public Lighting (High Mast) and Solar Street Lights in outer rural areas of Kanpur District, Uttar Pradesh through EESL (Balance Payment). | 2016-17 | 78 | 253.15 | 53.94 | 251.75 | Ongoing |
| 119 | 1812100003 | Construction of community centres in Basti District, U.P. through Bhartiya Co-operative Gramin Vikas Evam Nirman Ltd., Lucknow (Recommended by Sh. Harish Dwivedi, MP). | 2018-19 | 18 | 55.50 | 13.50 | 54.00 | Work Completed. |
| 120 | 1805100002 | Project proposal request for Grant in Aid for the project "PAD WOMEN" menstrual health awareness and livelihood Program for the women of the underprivileged section of the Society in Mewat region of Haryana through Nutan Prayatn (One of aspirational district identified by Niti Aayog/DPE). | 2018-19 | 30 | 14.00 | 3.50 | 11.76 | Ongoing |
| 121 | 1805100003 | Establishment of 01 No Sanitary Napkin Unit in Hathin Block Block (Mewat, Haryana) under NITI Aayog Scheme for 115 No. Aspirational Districts for women empowerment & livelihood enhancement through collaborative Mode through MOU for Project Sustainability with SPYM. | 2018-19 | 17 | 14.00 | 1.96 | 13.96 | Work Completed. |
| 122 | 1806100001 | Supply and Installation of 12 Watt LED Solar Street Light System in various rural villages across Faridabad District (Haryana) - 450 Nos through the approved DPR and MOU with district administration for CSR sustainability and avoiding overlapping of Govt. Funding through M/s EESL. | 2018-19 | 12 | 78.72 | 47.96 | 78.68 | Work Completed. |
| 123 | 1806100003 | Providing of Solar street lights (12 W) in Bijnor Parliamentary constituency through CPSU, M/s REIL. (Recommended by Sh. Kunwar Bhartendra Singh, MP). | 2018-19 | 32 | 42.51 | 0.94 | 42.43 | Ongoing |
| 124 | 1806100004 | Request for providing Solar High Mast Lights (4 x 18 W) in Mirzapur Parliamentary Constituency of Uttar Pradesh through UP State Undertaking, UPSIC (Recommended by Smt. Anupriya Patel, MP). | 2018-19 | 30 | 45.00 | 12.22 | 12.22 | Ongoing |
| 125 | 1806100005 | Proposal for installation of Solar Street Lights (12 W) in Bikaner constituency through CPSU, M/s REIL (Recommended by Sh. Arjun Ram Meghwal, MP). | 2018-19 | 18 | 42.51 | 0.94 | 42.43 | Ongoing |

| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (months) | Total Amount allocated to the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting financial year | Status of the project completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 126 | 1906100001 | Proposal for providing 500 number Solar lights in Siddharth Nagar District of U.P. under CSR( considered Rs. 50 lakhs for 250 nos. Solar lights) (Recommended by Shri Jagdambika Pal, MP (Lok Sabha) through UPSIC). | 2019-20 | 12 | 50.00 | 0.00 | 0.00 | Ongoing |
| 127 | 1813100001 | Publication of Annual Reports, Policies & Other Documents related to CSR. | 2018-19 | 3 | 2.40 | 0.00 | 0.90 | Work Completed. |
| 128 | 1904100001 | CSR support on collaborative mode for Providing Bus service for movement of Disabled students from outer rural areas to Hansraj College, University of Delhi. | 2019-20 | 3 | 10.00 | 9.00 | 9.00 | Ongoing |
| | | **G. Total** | | | **9182.75** | **2280.21** | **8070.40** | |

**Annexure- VII**

# SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

{Pursuant to Section 204(1) of the Companies Act, 2013 read with
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**To**
**The Members**
**NHPC Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NHPC Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

  (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

  (h) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

(vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being relied on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.- Generally complied with.

(ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015).

(iii) DPE Guidelines on Corporate Governance for CPSE.

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

<table>
<tr><th>Sl. No.</th><th>Qualification/ Observation</th><th>Management Reply</th></tr>
<tr><td>1.</td><td>Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the second proviso of Section 149(1) of the Companies Act, 2013, the Board of Directors does not consist of an Independent Woman Director and Women Director for the financial year 01.04.2020 to 31.03.2021.</td><td rowspan="3">As per Article 34 of the Articles of Association of the Company read with Ministry of Corporate Affairs notification dated 5th June 2015, the Directors (including Independent Directors) on the Board of the Company are appointed by the President of India. The matter regarding appointment of Independent Directors (including Woman Independent Director) is being regularly pursued with the Administrative Ministry i.e. Ministry of Power.</td></tr>
<tr><td>2.</td><td>Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company did not have requisite no. of Non-executive Directors on the Board of the Company for the financial year 01.04.2020 to 31.03.2021 and as per clause 3.1.2 of DPE Guidelines, the number of Functional Directors should not exceed 50% of the actual strength of the Board for the financial year 01.04.2020 to 31.03.2021.</td></tr>
<tr><td>3.</td><td>Company did not had requisite number of Independent Directors on the Board as per Regulation 17 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per Clause 3.1.4 of DPE Guidelines and as per the Section 149(4) of the Companies Act, 2013 during the period from 01.04.2020 to 07.09.2020 and no independent Director from 08.09.2020 to 31.03.2021. Due to non-appointment of independent directors in the Company, consequential non-compliances arised during the period from 08.09.2020 to 31.03.2021</td></tr>
<tr><td>4.</td><td>Company does not have Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee during the period from 08.09.2020 to 20.03.2021 and Risk Management Committee from 08.09.2020 to 12.01.2021 and Nomination and Remuneration Committee from 08.09.2020 to 31.03.2021 in accordance with Section 135, 177 & 178 of the Companies Act, 2013, Regulations 18, 19, 20 & 21 of SEBI (LODR) 2015 and chapter 4 & 5 of DPE Guidelines.</td><td>The Board of Directors had not re-constituted its mandatory committees during the mentioned period due to non-availability of Independent Directors. However, pending appointment of Independent Directors, the Board of Directors through Circular Resolution dated 13.01.2021 has reconstituted its Risk Management Committee. The Board of Directors in its meeting held on 21.03.2021 has also reconstituted its other Mandatory Committees except Nomination and Remuneration Committee with existing Non-Independent Directors for substantial compliance of SEBI LODR, Companies Act, 2013 and DPE Guidelines for Corporate Governance.</td></tr>
</table>

**We further report that** the Board of Directors of the Company was not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors during the financial year 2020-21. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Generally, all the decisions made in the Board/ Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.

**We further report that** the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-complianceunder Regulations 17, 18, 19, 20 & 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, against which the Company has submitted responses along with the waiver requests. BSE Limited vide e-mails dated 24th September, 2020 and 19th April 2021 has communicated waiver of fine upto the quarter ended 30th June, 2020 and 31st December, 2020 (except Regulation 21) respectively.

For **Agarwal S. & Associates,**
*Company Secretaries,*
*ICSI Unique Code: P2003DE049100*
Peer Review Cert. No.: 626/2019

**Sd/-**
**CS Sachin Agarwal**
Partner
FCS No.: 5774
CP No.: 5910

**Place:** New Delhi
**Date:** 13.07.2021
UDIN:F005774C000624513

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

To,
The Members,
**NHPC Limited**

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The prevailing circumstances in the Country on account of Lockdown/restrictions on movements and Covid-19 have impacted physical verification of the records/ documents of the Company.

For **Agarwal S. & Associates,**
*Company Secretaries,*
*ICSI Unique Code: P2003DE049100*
Peer Review Cert. No.: 626/2019

**Sd/-**
**CS Sachin Agarwal**
Partner
FCS No.: 5774
CP No.: 5910

**Place:** New Delhi
**Date:** 13.07.2021

**Annexure- VIII**

# SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,
The Members,
**NHDC Limited**
CIN:U31200MP2000GOI014337
NHDC Parisar, Near Hotel Lake View Ashoka,
Shyamla Hills, Bhopal – 462013(MP)

Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NHDC Limited (hereinafter called the company), a Joint Venture of NHPC Limited (Government of India Enterprise) and Government of Madhya Pradesh. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, subject to what is stated in the Financial Statement for 2020-21 and the Auditors report there on, the company has, during the period covering the financial year ended on 31st March 2021 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March 2021 according to the provisions of:

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

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (Not Applicable to the Company during the Audit Period);

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (Not Applicable to the Company during the Audit Period);

iv) Foregin Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (Not applicable to the company during the audit period.)

We have also examined compliance with the applicable clauses of the following:

I. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. The Listing Agreements with the Stock Exchanges. (Not Applicable to the Company during the Audit period);

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

We further report after examination that as per the quarterly reports of the departmental heads and the Company Secretary taken on record by the Board of Directors and as per the clarifications given to us, the company has complied with all applicable Central and state laws/rules/ regulations as applicable to the company.

We further report that:-

- NHDC Limited is a Joint Venture of NHPC Limited (Government of India Enterprise) and Government of Madhya Pradesh and all the directors are nominated by the joint venture partners i.e. NHPC and GoMP. The Board of Directors of the Company is duly constituted with Executive Directors, Non-executive Directors including Women Director. The changes in the composition of the Board of directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

- Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors and Committee of the Board, as the case may be while dissenting member's views can be recorded as part of the minutes, even though there was no such occasion during the period under review.

We further report that as per the requirement of the Companies Act, 2013 and other rules and regulations/ guidelines, the Company has formulated and adopted various policies as under:

- Related Party Policy;
- Corporate Social Responsibility Policy;
- Vigil Mechanism Policy;
- Risk Management Policy; and
- Code of Business conduct & Ethics for Board of Directors and Senior Management Personnel and have placed them on the website of the Company, wherever needed.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guideline. Adequate in house system has been developed to obtain quarterly/annual compliance certificates from all Heads of Projects and Heads of Departments at projects and Corporate Office level in this regard. We are also given to understand that Finance Division of NHDC has intimated to the statutory auditors of NHDC regarding applicability of relevant clause(s) of SEBI circular dated 18.12.2019.

For **M.M. Chawla and Associates**
Company Secretaries

**Sd/-**
**M.M. Chawla**
Proprietor
FCS – 67
CP. No. 716
PR: 552/2017
UDIN: F000067C000495331

**Place:** Bhopal
**Date:** 22.06.2021

Annexure - IX

# INDEPENDENT AUDITORS' REPORT

**To the Members of NHPC Limited**

**Report on the Audit of the Standalone Financial Statements**

## Opinion

We have audited the accompanying Standalone Financial Statements of NHPC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss(including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the Key Audit Matters for incorporation in our Report.

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| 1. | **Regulatory Deferral Account Debit Balances and accruals of revenue pending tariff Notifications.**<br><br>Regulatory Deferral Account Debit balances as on 31st March 2021 is Rs. 7063.31 Crores (Rs. 6836.22 Crores up to 31st March 2020) as given in Note 14 of the Financial Statements.This include accruals aggregating to Rs. 3470.59 Crore on account of interest cost and other attributable expenses pertaining to Subansiri Lower Project for the period from the date of interruption of work i.e. 16.12.2011 till 30.09.2019 as indicated in Note 34(22A). | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying the value of Regulatory Deferral Account Debit Balances include the following:**<br><br>• Understanding and testing the design and operating effectiveness of controls as established by the management for accrual of income and determination of the amounts recoverable there against.<br><br>• Obtaining and understanding of the amount recoverable in terms of CERC Regulations and assessing, testing and evaluating the reasonableness thereof keeping in view the |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | The operating activities of the Company are subject to cost of service regulations whereby tariff charged for electricity generated is based on allowable capital and other cost and expenses and stipulated return there against.<br><br>Regulatory Deferral Accounts Debit Balances are recognised on undiscounted basis based on the estimates and assumptions with respect to the probability that future economic benefit will flow to the entity as a result of actual or expected action of regulator under applicable Regulatory framework and therefore recoverability thereof is dependent upon Tariff Regulations and related approvals and notifications.<br><br>The accruals made as above are vital and proprietary to the business in which the Company is operating. In absence of specific notification and rate fixation, these are based on the management's assumptions and estimates which are subject to finalisation of tariff by CERC and commencement of operations of the Projects. | significant judgements applied by the management for such assessments.<br><br>• The above includes the evaluation of the CERC guidelines and acceptance of the claim made by the Company in the past and the trend of disallowances on various count and adherences and compliances thereof by the management and rationale for assumptions taken under the given situation and business environment.<br><br>• Evaluating the various assumptions considered by the management for arriving at the value of Cash generating Unit Note 34(18) in case of Subansiri Lower HE Project and adequacy thereof with respect to the carrying value of the Project in Progress and balances pertaining to the said project under Regulatory deferral Accounts.<br><br>• Assessing the application of provisions of Ind AS 114, Guidance Note on Accounting of Rate Regulated Activities issued by ICAI for recognition of regulatory deferral balances.<br><br>• Reviewing the adequacy and reasonableness of amounts recognised and measurement policies followed by the Company and adequacy of the disclosure made with respect to the same in the financial statements of the Company. |
| 2. | **Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)**<br><br>Each of the Hydro Electricity generating plant has been considered as Cash Generating Units (CGUs) of the company and impairment indicators and requirements thereof have been assessed with respect to the Property, Plant and Equipment(PPE) and Capital Work in Progress (CWIP) as given in Note 34(18). This has been assessed that no significant change with an adverse effect on the company has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the company operate. Based on the assessment, the company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the company tested for impairment during the year 2020-21. Based on the above assessment, no provision for impairment against PPE or CWIP has been considered necessary by the Company. | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the non-provisioning of any CGU based on impairment testing include the following:**<br><br>• Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 38;<br><br>• Review of impairment valuation models used in relation to CGU to determine the recoverable amount by analysing the key assumptions used by management in this respect including:<br><br>- Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances;<br><br>- Price assumptions used in the models;<br><br>- Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate.<br><br>- The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use. |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | Impairment exercise undertaken which justifies the carrying amount of certain assets as above include the regulatory deferral account balances pertaining to Subansiri Lower Project as dealt with under para 1(a) above, is significant and vital to the Company's operations.<br>Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the future cash flow forecasts, forecast production, forecast volumes, prices and discount rate. | • Reviewed the Government policy and approval for setting up the Projects, decision of the Board and the efforts and steps being undertaken in this respect.<br>• Reliance has been placed on management projections for completion timeline, volume of generation and resultant revenue based on expected tariff there against. |
| 3. | **Contingent Liabilities – against claim from Contractors (Note 34.1(a)(i))**<br>Various claims lodged by the Contractors against Capital Works amount to Rs. 9893.27 Crore of which Rs. 412.91 Crore have been provided for, leaving a balance of Rs. 9480.36 Crore which have been disclosed under Contingent Liability. This includes matters under arbitration and/ or before the Court which have been decided against the Company, out of which Rs. 2709.13 Crore have been paid/deposited pursuant to the NITI Aayog directions or Court order.<br>Claims made against the Company are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof. Provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability. | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:**<br>• Obtained the status of the cases from the legal department and their view on the matter;<br>• Evaluated the contractual terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company;<br>• Discussion with management and perusing/ reviewing the correspondences Memos and Notes on related matters.<br>• Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom and provision made by the Management pending final judgement/ decisions;<br>• Reviewed the appropriateness and adequacy of the disclosure and provision by the management as required in terms of the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". |
| 4. | **Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage upto 31.03.2021**<br>Expenditure of Rs. 1192.72 Crores as given in Note 2.2.2 has been incurred for conducting survey and investigation on projects. This includes Interest, administrative and other costs attributable to these projects. Out of this Rs. 954.58 (including Rs. 144.63 Crores during the year) Crores have been provided for keeping in view uncertainty with respect to clearances, approvals for | **Our audit procedures based on which we arrived at the conclusion regarding carrying the amount of expenditure incurred on survey and Investigation Projects incurred include the following:**<br>• Obtained the status of the Projects under Survey and Investigation stage as provided by the management and the reason thereof of keeping them in abeyance.<br>• Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred (a) for survey and investigation projects and the policy followed for making provisions/ write off for such expenses given the nature of |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | implementing the Projects, leaving Rs. 238.14 Crores which has been carried forward as Capital Work in Progress.<br><br>Further, Capital Work in Progress also includes Projects where active construction activities are yet to be undertaken.<br><br>Interest, Administrative and other Costs are capitalized till the projects are abandoned, however, provisions are made as given herein above in cases where in view of the management there are uncertainties in implementing the projects undertaken.<br><br>In the event of related Projects not being undertaken, amounts spent on survey and investigations and those incurred/ allocated prior to construction thereof will no longer be eligible to be carried forward as Capital Work in Progress. | of business of the Company, (b) for project under preconstruction stage and allocation of Borrowing and other cost incurred and allocated there against.<br>• Evaluating the management's rationale with respect to continuing such projects under Capital Work in Progressin spite of there being uncertainties and delay in implementing the same and expected economic use of the same in future.<br>• Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for the same given the location, size and nature in each case of the respective project.<br>• The matter being technical and proprietary to the nature of business in which the company is operating, reliance has been placed on the management's contention and representation on the matter. |
| 5. | **Recognition of Deferred Tax and evaluation of utilisation thereof.**<br><br>Deferred Tax with respect to MAT Credit entitlement of Rs. 2382.61 Crores lying unutilized as on 31st March 2021 has not been recognised.<br><br>This is on the basis of the management's estimate and evaluation of taxable profit in foreseeable given period in future based on convincing evidences against which such credit can be utilised. This involves significant management judgement based on future projections including future capital expenditure for capacity enhancement and which may significantly vary on crystallization. | **Our audit procedures based on which we arrived at the conclusion regarding appropriateness of non recognition of the unutilised MAT Credit include the following:**<br>• Understanding and testing the operating effectiveness of the company's control relating to taxation and assessment of carrying amount of deferred tax assets/ liabilities.<br>• Review of the Company's accounting policy in respect of deferred tax assets on unutilized MAT credit and current year development, if any, requiring change in such policy and management contention on the same.<br>• Evaluation of tax credit entitlement as legally available to the company based on internal forecast prepared by the company and probability of future taxable income.<br>• Review of underlying assumption for consistency and uncertainty involved and principle of prudence for arriving at reasonable degree of probability of utilisation of deferred tax assets.<br>• Review of implication pertaining to regulatory regime under which company operates and possible utilisation of the MAT credit and impact thereof on the financial statement under the given current Regulatory provisions whereby creation of such assets lead to adjustment/ reversal of Regulatory Deferral Account Debit Balances.<br>• Evaluation of adequacy and appropriateness of disclosure made in the financial statement. |

**Information other than the Financial Statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditors' report thereon. The other information as stated above is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditors' Responsibility for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

**Other Matters**

i. Due to the ongoing COVID-19 pandemic and recent surge in number of affected cases and the lockdown imposed by State Governments, audit processes and procedures were carried out through remote access of the books of account/records and necessary documents/information made available to us by the management through digital medium. Accordingly relevant documents and supporting although available in E- form as such could not be verified by us in primary and original form.

ii. The financial statements for the year ended 31st March 2020 have been audited by then Joint auditors of the Company. One of them were predecessor audit firms and had expressed an unmodified opinion vide their report dated 27 June 2020. Reliance has been placed on the figures and other information incorporated for the purpose of these financial statements.

Our opinion is not modified in respect of the matters stated in para i and ii above.

**Report on Other Legal and Regulatory Requirements**

i. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

ii. Based on the verification of books of account of the Company and according to information and explanations given to us, we give below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Section 143(5) of the Act:

| Sl. No. | Directions | Reply |
|---|---|---|
| 1 | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | According to the information and explanations given to us and based on our audit, all accounting transactions are routed through ERP system implemented by the Company. Period end Financial Statements are compiled offline based on balances and transactions generated from ERP system.<br>We have neither been informed nor we have come across during the course of our audit any accounting transactions having impact on the integrity of the accounts along with the financial implications which have been processed outside the IT system. |
| 2 | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? | According to information and explanations given to us and based on our audit, there is no case of restructuring of an existing loan or cases of waiver/ write off of debts / loans / interest etc. made by lender to the Company. |
| 3 | Whether funds (grants/ subsidy etc.) received/receivable for specific schemes from Central/State Government and its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation. | According to information and explanations given to us and based on our audit, the Company has accounted for and utilized the funds received for specific schemes from Central/State agencies as per the terms and conditions of the schemes. |

iii. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

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

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

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

d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

e) in terms of Notification no. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable as it is a Government Company;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control; and

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

  i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 34 para 1 to the standalone financial statements;

  ii. The Company did not have any material foreseeable losses against long-term contracts including derivative contracts and thereby requirement for making provision in this respect is not applicable to the Company;

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

  iv. As per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

For Arora Vohra & Co.
Chartered Accountants
Firm's ICAI Registration No.: 009487N

CA Narinder Malik
Partner
M. No. 097008
UDIN:21097008AAAABY5911

Place: Ludhiana
Date: 10th June 2021

For K.G. Somani & Co.
Chartered Accountants
Firm's ICAI Registration No.:006591N

CA Bhuvnesh Maheshwari
Partner
M. No.088155
UDIN:21088155AAAAAV3062

Place: New Delhi
Date: 10th June 2021

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

CA R.P. Singh
Partner
M. No. 052438
UDIN:21052438AAAABW9921

Place: Kolkata
Date: 10th June 2021

# ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:

i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets.

b. As per the information and explanations given to us and on the basis of our examination of the records of the Company, the Tangible Fixed Assets except Land in certain Units, have been physically verified by the management/ outside agencies, in a phased manner, which in our opinion is reasonable, having regard to the size of Company and nature of its business. The reconciliation of physically verified assets with the book records in certain cases is in progress. Discrepancies noticed on the physical verification and consequential adjustments are carried out on completion of reconciliation. According to information and explanations given by the management and in our opinion, the same are not material.

c. According to the information and explanations given to us, the records examined by us and based on the Title/Lease deeds provided to us, we report that, the title/Lease deeds, comprising all the freehold/leasehold immovable properties of land and building, are held in the name of the Company as on the balance sheet date except for the following where the title/lease deeds are not available with the Company:

| Nature | Area in Hectares | Gross block as at 31.03.2021 (Rs. In Crore) | Net block as at 31.03.2021 (Rs. In Crore) |
|---|---|---|---|
| Freehold land | 190.48 | 31.60 | 31.60 |
| Leasehold Land included under Right of Use Assets | 397.21 | 165.35 | 145.18 |
| Building under Lease | - | - | - |

ii) As informed, the inventories of the Company except for inventories in transit, have been physically verified by the management/ outside agencies during the year. Even though we were not able to ensure the physical presence during verification process due to movement restrictions on account of prevailing situation, based on alternative procedures applied by us for verifications in this respect, in our opinion and according to the information and explanations given to us, the procedure followed and frequency of such verification are reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.

iii) According to the information and explanations given to us, the Company has during the year granted unsecured loan of Rs. 12.40 Crore to one of the Joint Venture Company which is covered in the register maintained under Section 189 of the Act.

a) In our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the interest of the Company.

b) In respect of Loan granted by the Company during the year,the schedule of repayment of principal and interest has been stipulated. The Company has during the year further extended the repayment schedule of Unsecured loan of Rs. 6 Crore granted in earlier years which was due for repayment during the year. In view of the above the repayment of Principal and repayment of interest is regular.

c) There is no overdue amount in respect of such loan granted to the company.

iv) In our opinion and according to information and explanations given to us the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Act.

v) The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act. In respect of overdue earnest money deposits and security deposits, Management is of the view that overdue earnest money deposits and security deposits of suppliers/contractors appearing in the books are in the nature of retention money for performance of contracts for supply of goods and services and accordingly, not to be treated as deemed deposits by virtue of amendment in rule 2, sub rule (1), clause (c) of the Companies (Acceptance of Deposits) Amendment Rules 2016.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrear as at March 31, 2021 for a period of more than six months from the date they become payable.

b. According to the information and explanations given to us, the details of disputed dues of income tax, sales tax, service tax, customs duty, excise duty and Value added Tax, if any, as at March 31, 2021, are as follows:

| Name of Statute | Nature of Duties | Amount (₹ In Crore) | Financial Year to which it pertains | Deposit under Protest (₹ In Crore) | Forum at which case is pending |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 0.01 | 2010-11 | 0 | ITO, Srinagar |
| | | 159.45 | 2016-17 | 0 | Assessing Officer, Income Tax |
| Sales Tax Acts/ Vat Acts | Sales Tax /Vat | 2.74 | 2012-13 | 0 | JC, Siliguri Charge |
| | | 16.60 | 2012-13 | 0 | Appellate Tribunal |
| | | 16.69 | 2004-05 to 2011-12 | 15.29 | Sr. Joint Commissioner Siliguri, Circle |
| | | 40.24 | 2013-14 to 2014-15 & 2016-17 to 2017-18 | 0 | Appellate Authority |
| | | 41.95 | 2015-16 | 0 | Appeal to be filed. |
| | | 215.21 | 1994-95 | 0 | State Tax Officer, J&K |
| Finance Act, 1996 | Service Tax | 18.62 | 2004-05 to 2009-10 | 1.70 | CESTAT, Chandigarh |
| | | 28.58 | 2008-09 to 2016-17 | 27.25 | Service Tax Tribunal, Kolkata |
| | | 101.00 | 2013-14 to 2017-18 | 0 | Central Excise and Service Tax<br>Appellate Tribunal |
| Custom Act, 1962 | Custom Duty | 25.15 | 2019-20 | 0 | Department of Customs & Excise |

viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks, Governments or debenture holders.

ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer during the year. The Company has raised money by issue of debt instruments during the year. On the basis of our examination and according to the information and explanations given to us, money raised by way of debt instruments have been applied for the purpose for which the loans were obtained.

x) During the course of our examination of books of Account carried out during the year in accordance with generally accepted auditing practices in India, We have neither come across incidence of any material fraud during the year by the Company or on the Company by the officers and employees nor have we been informed of any such cases by the Management.

xi) As per notification number G.S.R. 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.

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

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Arora Vohra & Co.
Chartered Accountants
Firm's ICAI Registration No.: 009487N

CA Narinder Malik
Partner
M. No. 097008
UDIN:21097008AAAABY5911

Place: Ludhiana
Date: 10th June 2021

For K.G. Somani & Co.
Chartered Accountants
Firm's ICAI Registration No.:006591N

CA Bhuvnesh Maheshwari
Partner
M. No.088155
UDIN:21088155AAAAAV3062

Place: New Delhi
Date: 10th June 2021

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

CA R.P. Singh
Partner
M. No. 052438
UDIN:21052438AAAABW9921

Place: Kolkata
Date: 10th June 2021

# ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls with reference to financial statements of NHPC Limited ("the Company") as at March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

i. Due to the ongoing COVID-19 pandemic and recent surge in number of affected cases and the lockdown imposed by State Governments, audit processes and procedures were carried out through remote access of the books of account/records and other necessary documents/information made available to us by the management through digital medium. Accordingly relevant documents and supporting although available in E- form as such could not be verified by us in primary and original form.

Our opinion is not modified in respect of the matters stated in para i above.

For Arora Vohra & Co.
Chartered Accountants
Firm's ICAI Registration No.: 009487N

CA Narinder Malik
Partner
M. No. 097008
UDIN:21097008AAAABY5911

Place: Ludhiana
Date: 10th June 2021

For K.G. Somani & Co.
Chartered Accountants
Firm's ICAI Registration No.:006591N

CA Bhuvnesh Maheshwari
Partner
M. No.088155
UDIN:21088155AAAAAV3062

Place: New Delhi
Date: 10th June 2021

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

CA R.P. Singh
Partner
M. No. 052438
UDIN:21052438AAAABW9921

Place: Kolkata
Date: 10th June 2021

# STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Crore)

| | PARTICULARS | Note No. | As at 31st March, 2021 | As at 31st March, 2020 | As at 1st April, 2019 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **(1)** | **NON-CURRENT ASSETS** | | | | |
| a) | Property, Plant and Equipment | 2.1 | 19,163.61 | 21,463.33 | 22,940.69 |
| b) | Capital Work In Progress | 2.2 | 17,754.48 | 16,097.65 | 14,898.11 |
| c) | Right Of Use Assets | 2.3 | 1,752.92 | 1,826.98 | - |
| d) | Investment Property | 2.4 | 4.49 | 4.49 | 4.49 |
| e) | Intangible Assets | 2.5 | 3.52 | 0.72 | 906.66 |
| f) | Financial Assets | | | | |
| | i) Investments | 3.1 | 3,921.68 | 3,400.74 | 2,361.66 |
| | ii) Loans | 3.2 | 943.27 | 798.65 | 746.41 |
| | iii) Others | 3.3 | 4,917.27 | 3,435.91 | 3,528.67 |
| g) | Non Current Tax Assets (Net) | 4 | - | 138.90 | 131.95 |
| h) | Other Non Current Assets | 5 | 3,560.71 | 3,035.41 | 2,028.84 |
| | **TOTAL NON CURRENT ASSETS** | | **52,021.95** | **50,202.78** | **47,547.48** |
| **(2)** | **CURRENT ASSETS** | | | | |
| a) | Inventories | 6 | 124.42 | 118.24 | 117.14 |
| b) | Financial Assets | | | | |
| | i) Trade Receivables | 7 | 3,206.02 | 3,585.12 | 2,326.40 |
| | ii) Cash and Cash Equivalents | 8 | 145.57 | 8.87 | 12.04 |
| | iii) Bank balances other than Cash and Cash Equivalents | 9 | 768.39 | 380.25 | 378.59 |
| | iv) Loans | 10 | 48.44 | 46.03 | 45.18 |
| | v) Others | 11 | 2,386.12 | 2,932.96 | 2,280.95 |
| c) | Current Tax Assets (Net) | 12 | 165.73 | 127.14 | 101.41 |
| d) | Other Current Assets | 13 | 372.08 | 375.91 | 307.57 |
| | **TOTAL CURRENT ASSETS** | | **7,216.77** | **7,574.52** | **5,569.28** |
| (3) | Regulatory Deferral Account Debit Balances | 14 | 7,063.31 | 6,836.22 | 6,492.61 |
| | **TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES** | | **66,302.03** | **64,613.52** | **59,609.37** |
| **EQUITY AND LIABILITIES** | | | | | |
| **(1)** | **EQUITY** | | | | |
| (a) | Equity Share Capital | 15.1 | 10,045.03 | 10,045.03 | 10,045.03 |
| (b) | Other Equity | 15.2 | 21,602.28 | 19,938.78 | 19,169.70 |
| | **TOTAL EQUITY** | | **31,647.31** | **29,983.81** | **29,214.73** |

| | PARTICULARS | Note No. | As at 31st March, 2021 | As at 31st March, 2020 | As at 1st April, 2019 |
|---|---|---|---|---|---|
| **(2)** | **LIABILITIES** | | | | |
| | **NON-CURRENT LIABILITIES** | | | | |
| a) | **Financial Liabilities** | | | | |
| | i) Borrowings | 16.1 | 21,241.22 | 20,889.74 | 17,044.63 |
| | ii) Other financial liabilities | 16.2 | 2,054.34 | 2,059.23 | 2,058.64 |
| b) | Provisions | 17 | 28.38 | 27.66 | 26.82 |
| c) | Deferred Tax Liabilities (Net) | 18 | 3,589.36 | 3,641.19 | 3,610.63 |
| d) | Other non-current Liabilities | 19 | 2,034.60 | 2,082.65 | 1,824.98 |
| | **TOTAL NON CURRENT LIABILITIES** | | **28,947.90** | **28,700.47** | **24,565.70** |
| **(3)** | **CURRENT LIABILITIES** | | | | |
| a) | **Financial Liabilities** | | | | |
| | i) Borrowings | 20.1 | 726.03 | 714.31 | 406.00 |
| | ii) Trade Payables | 20.2 | | | |
| | Total outstanding dues of micro enterprises and small enterprises | | 30.94 | 18.85 | 15.74 |
| | Total outstanding dues of Creditors other than micro enterprises and small enterprises | | 170.40 | 285.41 | 164.44 |
| | iii) Other financial liabilities | 20.3 | 2,925.62 | 2,880.07 | 2,847.26 |
| b) | Other Current Liabilities | 21 | 565.85 | 802.44 | 1,066.13 |
| c) | Provisions | 22 | 1,252.98 | 1,228.16 | 1,329.37 |
| d) | Current Tax Liabilities (Net) | 23 | 35.00 | - | - |
| | **TOTAL CURRENT LIABILITIES** | | **5,706.82** | **5,929.24** | **5,828.94** |
| | **TOTAL EQUITY AND LIABILITIES** | | **66,302.03** | **64,613.52** | **59,609.37** |
| | **Accompanying notes to the Standalone Financial Statements** | 1-35 | | | |

**Note: The figures as at 31st March 2020 and 1st April 2019 as given above are restated (Note No-35)**

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N

**(CA Narinder Malik)**
Partner
M. No. 097008

**For K.G. Somani & Co.**
Chartered Accountants
FRN: 006591N

**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E

**(CA R.P. Singh)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Crore)

| PARTICULARS | | Note No. | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|---|
| **INCOME** | | | | |
| i) | Revenue from Operations | 24.1 | 8,506.58 | 8,735.15 |
| ii) | Other Income | 24.2 | 1,150.81 | 1,036.44 |
| | **TOTAL INCOME** | | **9,657.39** | **9,771.59** |
| **EXPENSES** | | | | |
| i) | Purchase of Power - Trading | 25.1 | 212.37 | 234.13 |
| ii) | Generation Expenses | 25.2 | 854.37 | 901.67 |
| iii) | Employee Benefits Expense | 26 | 1,409.26 | 1,515.52 |
| iv) | Finance Costs | 27 | 649.59 | 795.42 |
| v) | Depreciation and Amortization Expense | 28 | 1,234.50 | 1,545.34 |
| vi) | Other Expenses | 29 | 1,425.89 | 1,514.95 |
| | **TOTAL EXPENSES** | | **5,785.98** | **6,507.03** |
| **PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | **3,871.41** | **3,264.56** |
| | Exceptional items | 34 (31) | 185.00 | - |
| **PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | **3,686.41** | **3,264.56** |
| | Tax Expenses | 30.1 | | |
| i) | Current Tax | | 714.17 | 602.40 |
| ii) | Deferred Tax | | (34.04) | (1.40) |
| | **Total Tax Expenses** | | **680.13** | **601.00** |
| **PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES** | | | **3,006.28** | **2,663.56** |
| | Movement in Regulatory Deferral Account Balances (Net of Tax) | 31 | 227.09 | 343.61 |
| **PROFIT FOR THE YEAR (A)** | | | **3,233.37** | **3,007.17** |
| | **OTHER COMPREHENSIVE INCOME (B)** | 30.2 | | |
| | **(i) Items that will not be reclassified to profit or loss (Net of Tax)** | | | |
| | (a) Remeasurement of the post employment defined benefit obligations | | (40.29) | 37.51 |
| | Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | | 2.87 | 8.14 |
| | **Sub total (a)** | | **(43.16)** | **29.37** |
| | (b)Investment in Equity Instruments | | 47.13 | (42.09) |
| | **Sub total (b)** | | **47.13** | **(42.09)** |
| | **Total (i)=(a)+(b)** | | **3.97** | **(12.72)** |

| PARTICULARS | Note No. | "For the Year ended 31st March, 2021" | "For the Year ended 31st March, 2020" |
|---|---|---|---|
| (ii) Items that will be reclassified to profit or loss (Net of Tax) | | | |
| - Investment in Debt Instruments | | 3.23 | 12.10 |
| **Total (ii)** | | **3.23** | **12.10** |
| Other Comprehensive Income (B)=(i+ii) | | 7.20 | (0.62) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) (COMPRISING PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR)** | | **3,240.57** | **3,006.55** |
| **Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)** | 34 (12) | | |
| Before movements in Regulatory Deferral Account Balances | | 2.99 | 2.65 |
| After movements in Regulatory Deferral Account Balances | | 3.22 | 2.99 |
| **Accompanying notes to the Standalone Financial Statements** | 1-35 | | |

**Note :** The figures for the year ended 31st March 2020 as given above are restated (Note No 35)

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N

**For K.G. Somani & Co.**
Chartered Accountants
FRN: 006591N

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E

**(CA Narinder Malik)**
Partner
M. No. 097008

**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**(CA R.P. Singh)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

## STATEMENT OF STANDALONE CASH FLOWS
## FOR THE YEAR ENDED 31st March, 2021

(₹ in Crore)

| | | For the Year ended 31st March, 2021 | | For the Year ended 31st March, 2020 | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | **Profit before tax for the year including movements in Regulatory Deferral Account Balance** | | 3913.50 | | 3608.17 |
| | Less: Movement in Regulatory Deferral Account Balances | | 227.09 | | 343.61 |
| | **Profit before Tax** | | **3686.41** | | **3264.56** |
| | **ADD :** | | | | |
| | Depreciation and Amortisation | 1234.50 | | 1545.34 | |
| | Finance Costs | 649.59 | | 795.42 | |
| | Provisions (Net Loss) | 220.40 | | 155.17 | |
| | Tariff Adjustment (loss) | - | | - | |
| | Sales adjustment on account of Exchange Rate Variation | 50.03 | | 42.94 | |
| | Loss/(Profit) on Sale of assets/Claims written off | 8.69 | | 2.51 | |
| | | | 2163.21 | | 2541.38 |
| | | | **5849.62** | | **5805.94** |
| | **LESS :** | | | | |
| | Advance against Depreciation written back | 48.38 | | 44.72 | |
| | Provisions (Net gain) | 21.82 | | 5.22 | |
| | Adjustment of Consultancy Charges in LDHCL converted to Equity | 2.63 | | | |
| | Dividend Income | 292.68 | | 489.97 | |
| | Interest Income including Late Payment Surcharge | 680.14 | | 421.50 | |
| | Exchange rate variation | 34.21 | | (50.15) | |
| | Fair Value Adjustments | (0.78) | | (1.42) | |
| | Amortisation of Government Grants | 32.26 | | 29.95 | |
| | | | 1111.34 | | 939.79 |
| | **Cash flow from Operating Activities before Operating Assets and Liabilities adjustments and Taxes** | | **4738.28** | | **4866.15** |
| | **Changes in Operating Assets and Liabilities:** | | | | |
| | Inventories | (6.26) | | (1.33) | |
| | Trade Receivables | 1167.27 | | (1842.32) | |
| | Other Financial Assets, Loans and Advances | (709.85) | | (12.44) | |
| | Other Financial Liabilities and Provisions | (100.79) | | (160.87) | |
| | | | 350.37 | | (2016.96) |
| | **Cash flow from operating activities before taxes** | | **5088.65** | | **2849.19** |
| | Less : Taxes Paid | | 578.85 | | 635.08 |
| | **NET CASH FLOW FROM OPERATING ACTIVITIES (A)** | | **4509.80** | | **2214.11** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | "Purchase of Property, Plant and Equipment, Other Intangible Assets & Expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year) - Net of Grant" | | (1763.89) | | (2708.71) |
| | Sale of Assets | | 0.25 | | 0.52 |

| | | For the Year ended 31st March, 2021 | "For the Year ended 31st March, 2020" |
|---|---|---|---|
| | Investment in Joint Venture (Including Share Application Money Pending) | (500.00) | (140.45) |
| | Investment in Subsidiaries (Including Share Application Money Pending) | (280.41) | (924.70) |
| | Proceeds from Sale of Investment | 0.40 | - |
| | Dividend Income | 292.68 | 489.97 |
| | Interest Income including Late Payment Surcharge | 743.63 | 386.39 |
| | **NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES (B)** | **(1507.34)** | **(2896.98)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Dividend and Tax on Dividend Paid | (1577.07) | (2237.47) |
| | Proceeds from Borrowings | 2327.03 | 5967.71 |
| | Repayment of Borrowings | (2116.14) | (1715.05) |
| | Interest and Finance Charges | (1495.72) | (1332.22) |
| | Repayment of Lease Liability | (3.86) | (3.27) |
| | **NET CASH FLOW FROM/USED IN FINANCING ACTIVITIES (C)** | **(2865.76)** | **679.70** |
| **D.** | **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)** | **136.70** | **(3.17)** |
| | Cash and Cash Equivalents at the beginning of the year | 8.87 | 12.04 |
| | Cash and Cash Equivalents at the close of the year | 145.57 | 8.87 |

* The above Statement of Cash Flows is prepared in accordance with the Indirect method prescribed in Ind AS 7 - "Statement of Cash Flows".

** The figure for the year ended 31.03.2020 as given above are restated. (Refer Note 35)

**EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS**

1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash and Cash equivalents is as under:

(₹ in crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Balances with Banks** | | |
| With scheduled Banks: | | |
| - In Current Account | 145.56 | 8.86 |
| - In Deposits Account (Deposits with original maturity of less than three months) | - | - |
| **Cash on Hand** | 0.01 | 0.01 |
| **Cash and Cash equivalents** | **145.57** | **8.87** |

2 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 840.53 Crore (Previous year ₹ 462.90 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).

3 Amount of undrawn loan as on 31.03.2021 : ₹ 475.00 Crore (Previous Year ₹ 925.00 Crore).

4 Company has incurred ₹ 76.66 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2021 (Previous Year ₹ 122.57 Crore)

5 **Net debt reconciliation:-** (₹ in crore)

| | 31-03-2021 | 31-03-2020 |
|---|---|---|
| Cash and Cash Equivalents | 145.57 | 8.87 |
| Current Borrowings | (726.03) | (714.31) |
| Non current Borrowings (Including Interest accrued) | (23284.83) | (23138.70) |
| Lease Liability | (12.65) | (13.91) |
| **Net Debt** | **(23877.94)** | **(23858.05)** |

(₹ in crore)

| Particulars | Other assets | Liabilities from Financing Activities | | | Total |
|---|---|---|---|---|---|
| | Cash & Cash Equivalents | Non-current borrowings (Including Interest accrued) | Lease Liability | Current borrowings | |
| **Net debt as at 31st March' 2019** | **12.04** | **(19234.76)** | **-** | **(406.00)** | **(19628.72)** |
| Lease recognised under Ind AS 116 as on 01/04/2019 | - | - | (14.90) | - | (14.90) |
| Cash flows | (3.17) | (3944.34) | 3.27 | (308.31) | (4252.55) |
| Lease Liability | - | - | (2.28) | - | (2.28) |
| Foreign exchange adjustments | - | (120.23) | - | - | (120.23) |
| Interest expense | - | (1320.31) | (1.17) | (15.93) | (1337.41) |
| Interest paid | - | 1262.20 | 1.17 | 15.93 | 1279.30 |
| Fair value adjustments | - | 218.74 | - | - | 218.74 |
| **Net debt as at 31st March' 2020** | **8.87** | **(23138.70)** | **(13.91)** | **(714.31)** | **(23858.05)** |

(₹ in crore)

| Particulars | Other assets | Liabilities from Financing Activities | | | Total |
|---|---|---|---|---|---|
| | Cash & Cash Equivalents | Non-current borrowings (Including Interest accrued) | Lease Liability | Current borrowings | |
| **Net debt as at 31st March' 2020** | **8.87** | **(23138.70)** | **(13.91)** | **(714.31)** | **(23858.05)** |
| Cash flows | 136.70 | (199.17) | 3.86 | (11.72) | (70.33) |
| Lease Liability | - | - | (2.60) | - | (2.60) |
| Foreign exchange adjustments | - | 49.71 | - | - | 49.71 |
| Interest expense | - | (1448.92) | (1.10) | (2.13) | (1452.15) |
| Interest paid | - | 1431.29 | 1.10 | 2.13 | 1434.52 |
| Fair value adjustments | - | 20.96 | - | - | 20.96 |
| **Net debt as at 31st March' 2021** | **145.57** | **(23284.83)** | **(12.65)** | **(726.03)** | **(23877.94)** |

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N

**(CA Narinder Malik)**
Partner
M. No. 097008

**For K.G. Somani & Co.**
Chartered Accountants
FRN: 006591N

**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E

**(CA R.P. Singh)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

# STATEMENT OF CHANGES IN EQUITY AS AT 31ST March, 2021

## A. EQUITY SHARE CAPITAL

| Particulars | Note No. | Amount (₹ in Crore) |
|---|---|---|
| **As at 1st April 2020** | 15.1 | 10,045.03 |
| Change in Equity Share Capital | | - |
| **As at 31st March 2021** | 15.1 | 10,045.03 |

## B. OTHER EQUITY

(₹ in Crore)

| Particulars | Reserve and Surplus | | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Bond Redemption Reserve | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | |
| **Balance as at 1st April, 2020** | **2,255.71** | **1,948.38** | **9,724.72** | **5,933.58** | **42.18** | **34.21** | **19,938.78** |
| Profit for the period | - | - | - | 3,233.37 | - | | 3,233.37 |
| Other Comprehensive Income | - | - | - | (43.16) | 3.23 | 47.13 | 7.20 |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **3,190.21** | **3.23** | **47.13** | **3,240.57** |
| Amount transferred from Bond Redemption Reserve to Surplus/Retained Earning | - | (306.43) | | 306.43 | | | - |
| Dividend Paid | - | - | | (1,577.07) | | | (1,577.07) |
| **Balance as at 31st March 2021** | **2,255.71** | **1,641.95** | **9,724.72** | **7,853.15** | **45.41** | **81.34** | **21,602.28** |

Refer Note No. 15.2.1 for nature and purpose of Reserves.

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
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**(CA Narinder Malik)**
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**For Lodha & Co.**
Chartered Accountants
FRN: 301051E

**(CA R.P. SINGH)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

## STATEMENT OF CHANGES IN EQUITY AS AT 31ST March, 2020

**A. EQUITY SHARE CAPITAL**

| Particulars | Note No. | Amount (₹ in Crore) |
|---|---|---|
| **As at 1st April 2019** | 15.1 | 10,045.03 |
| Changes in Equity Share Capital | | - |
| **As at 31st March 2020** | 15.1 | 10,045.03 |

**B. OTHER EQUITY**

(₹ in Crore)

| Particulars | Reserve and Surplus | | | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Securities Premium | Bond Redemption Reserve | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | |
| **Balance as at 1st April, 2019** | **2,255.71** | **-** | **2,193.35** | **9,724.72** | **4,889.54** | **30.08** | **76.30** | **19,169.70** |
| Profit for the year | - | - | - | - | 3,007.17 | - | - | 3,007.17 |
| Other Comprehensive Income | - | - | - | - | 29.37 | 12.10 | (42.09) | (0.62) |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **-** | **3,036.54** | **12.10** | **(42.09)** | **3,006.55** |
| Amount transferred from Bond Redemption Reserve to Surplus/Retained Earning | - | - | (244.97) | - | 244.97 | - | - | - |
| Dividend Paid | - | - | - | - | (1,938.69) | - | - | (1,938.69) |
| Tax on Dividend | - | - | - | - | (298.78) | - | - | (298.78) |
| **Balance as at 31st March 2020** | **2,255.71** | **-** | **1,948.38** | **9,724.72** | **5,933.58** | **42.18** | **34.21** | **19,938.78** |

Refer Note No. 15.2.1 for nature and purpose of Reserves.

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
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**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N
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**For Lodha & Co.**
Chartered Accountants
FRN: 301051E
**(CA R.P. SINGH)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

# NOTE NO. 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

## (I) Reporting entity

NHPC Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: L40101HR1975GOI032564). The shares of the Company are listed and traded on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange India Limited (BSE) in India. The address of the Company's registered office is NHPC Limited, NHPC Office Complex, Sector-33, Faridabad, Haryana-121003. The Company is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business in which the Company is involved includes providing project management / construction contracts/ consultancy assignment services and trading of power.

## (II) Basis of preparation

### (A) 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 authorised for issue by the Board of Directors on 10th June, 2021.

### (B) Basis of Measurement

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

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans measured at fair value.

The methods used to measure fair values are discussed in Note 33.

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.

### (C) Application of new and revised standards

During the year, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2020 which has brought about certain amendments in the existing Indian Accounting Standards. Impact of these amendments are disclosed hereunder:

(i) **Ind AS 1- Presentation of Financial Statements:** The Companies (Indian Accounting Standards) Amendment Rules, 2020 has amended the definition of "materiality" under Ind AS 1. Consequential amendments have also been made in Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, Ind AS 10- Events after the Reporting Period, Ind AS 34- Interim Financial Reporting and Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.There is, however, no material impact on the financial statements.

(ii) **Ind AS 116- Leases:** The Companies (Indian Accounting Standards) Amendment Rules, 2020 permit lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID -19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. There is, however, no material impact on the financial statements.

(iii) **Ind AS 103-Business Combinations:** The Companies (Indian Accounting Standards) Amendment Rules, 2020 has amended the definition of "business" whereby emphasis is given on goods and services provided to customers. Further, to be considered as a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create an output. There is, however, no material impact on the financial statements.

(iv) Amendments/ revision in other standards are either not applicable or do not have any material impact on the financial statements.

**(D) 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 off to the nearest crore (upto two decimals) except where indicated otherwise.

**(E) Use of estimates and management judgments**

The preparation of financial statements in conformity with Ind AS 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 including contingent assets and contingent liabilities at the Balance Sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised 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 may have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

**Critical judgments and estimates**

**a) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116-Leases. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the customer has both of the following:

a. the right to obtain substantially all of the economic benefits from use of the identified asset; and

b. the right to direct the use of the identified asset.

To control the use of an identified asset, a customer is required to have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use. A customer has the right to direct the use of an identified asset throughout the period of use if the customer has the right to direct how and for what purpose the asset is used throughout the period of use.

The Company also uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease. For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on a straight-line basis over the lease term. The respective leased assets are included in the Balance Sheet based on their nature.

**b) Useful life of Property, Plant and Equipment and Intangible Assets**

The estimated useful life of property, plant and equipment and intangible assets are 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 used for generation of electricity is determined by the Central Electricity Regulatory Commission (CERC) Tariff Regulations as mentioned in part B of Schedule II of the Companies Act, 2013 except for construction plant and machinery and computers and peripherals which are in accordance with useful life as prescribed in Schedule II of the Companies Act, 2013 and mobile phones which are as per management assessment.

**c) Recoverable amount of Property, Plant and Equipment, Capital Work in Progress and Intangible Assets**

The recoverable amount of property, plant and equipment, capital work in progress and intangible assets are based on estimates and assumptions, 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 resulting in impairment.

**d) Post-retirement 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 increase, the inflation rate and expected rate of return on plan assets. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have an impact on the resulting calculations.

**e) Revenue**

The Company records revenue from sale of power based on Tariff approved by the CERC, as per the principles of Ind AS 115-Revenue from Contracts with Customers. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, where tariff is pending revision due to revision in cost estimates, tariffs are computed based on the parameters and methods prescribed under the CERC Tariff Regulations and an estimated amount of revenue is recognised when an application is made to the CERC after obtaining necessary approvals to the extent it is highly probable that there will be no downward adjustment to the revenue recognised.

**f) Provisions and contingencies**

The assessments undertaken in recognising 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 been made on the basis of best judgment by management regarding probable outflow of economic resources. Such estimation can change due to unforeseeable developments.

**g) Recoverable Amount of Rate Regulated Assets**

The operating activities of the Company are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation and maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the Statement of Profit and Loss in accordance with Ind AS. The Company estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations 2019-24. However, recoverability of these amounts is subject to finalization of tariff by CERC and/or changes in CERC tariff regulations beyond the current tariff period.

**h) Impairment of Trade Receivables**

Considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

**i) Investment in Subsidiaries and Joint Ventures**

Investment has been carried at cost and as per assessment by the Company, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

**j) Insurance Claim Recoverable**

The recoverable amount of insurance claims in respect of damages to Property, Plant and Equipment, Capital Work in Progress is based on estimates and assumptions as per terms and conditions of insurance policies.

## (III) SIGNIFICANT ACCOUNTING POLICIES:

Summary of the significant accounting policies for the preparation of financial statements as given below have been applied consistently to all periods presented in the financial statements.These 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. These policies need not be applied when the effect of applying them is immaterial.

Up to March 31, 2015, Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Investment Property were carried in the Balance Sheet in accordance with Indian GAAP. The Company had elected to avail the exemption granted by Ind AS 101, "First time adoption of Ind AS" to regard those amounts as the deemed cost at the date of transition to Ind AS (i.e., as on April 1, 2015). Therefore, the carrying amount of property, plant and equipment, Capital Work in Progress, intangible assets and Investment Property as per the previous GAAP as at April 1, 2015, were maintained on transition to Ind AS.

**1.0 Property, Plant and Equipment (PPE)**

a) An item of PPE is recognized as an asset 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.

b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The 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. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

c) Expenditure incurred on renovation and modernization of power station on completion of the originally estimated useful life of the power station is added to the cost of the related asset when it meets the recognition criteria. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on environment management plans relatable to land in possession are treated as cost of land.

f) Assets over which the Company has control, though created on land not belonging to the Company, are included under Property, Plant and Equipment.

g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

h) Spares parts (procured along with the Plant and Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores and spares" forming part of inventory.

i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

**2.0 Capital work in Progress (CWIP)**

a) Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs etc.

b) Costs including employee benefits, professional fees, expenditure on maintenance and upgradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are 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 are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16-"Property, Plant and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

## 3.0 Investment Property

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

Transfers to or from investment property is made when and only when there is a change in use supported by evidence.

## 4.0 Intangible Assets and Intangible Assets under Development

a) Expenditure on research is charged to expenditure as and when incurred. Expenditure on development 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.

b) Intangible assets that are acquired by the Company and which have finite useful lives, are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

c) 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 Company and the cost of the item can be measured reliably.

d) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## 5.0 Foreign Currency Transactions

a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each reporting date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.

d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 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' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

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

**6.0 Regulatory Deferral Accounts**

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e., not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."

b) Expense/ income recognised 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 recognised as "Regulatory Deferral Account balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) 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 derecognised.

e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

**7.0 Fair value measurement**

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. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

For financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

**8.0 Investments in subsidiaries and joint ventures**

Investments in equity shares of subsidiaries and joint ventures are carried at cost less impairment, if any.

**9.0 Financial assets other than investment in subsidiaries and joint ventures**

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual right to receive cash or another financial asset or to exchange financial asset or financial liability under conditions that are potentially favourable to the Company. A financial asset is recognized when and only when the Company becomes party to the contractual provisions of the instrument.

Financial assets of the Company comprise Cash and Cash Equivalents, Bank Balances, Investments in equity shares of companies other than in subsidiaries and joint ventures, Trade Receivables, Loan to employees, security deposit, claims recoverable etc.

**a) Classification**

The Company classifies its financial assets in the following categories:

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit and loss

The classification depends on the following:

(a) The entity's business model for managing the financial assets and

(b) The contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses are either recorded in the Statement of Profit and Loss or under Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

**b) Initial recognition and measurement**

All financial assets are recognised 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 of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

**c) Subsequent measurement**

**Debt instruments at amortised cost**

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

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

ii) 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 amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

**Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)**

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

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

ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments at fair value through Other Comprehensive Income are measured at each reporting date at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in other income using the EIR method.

**Equity investments:**

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading, if any, are classified at Fair Value through Profit orLoss (FVTPL). The Company classifies all other equity instruments at FVTOCI. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

All fair value changes of an equity instrument classified at FVTOCI, are recognized in OCI. There is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends from such investments are recognised in the Statement of Profit and Loss as "other income" when the company's right to receive payments is established.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Trade Receivables:**

Trade receivables containing a significant financing component are subsequently measured at amortised cost using the effective interest method.

**d) Derecognition**

A financial asset is derecognised only when:

i) The Company has transferred the rights to receive cash flows from the financial asset, or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition, the difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.

**e) 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:

i) Financial assets that are debt instruments, and are measured at amortised cost.

ii) Financial assets that are debt instruments and are measured as at FVTOCI

iii) Contract Assets and Trade Receivables under Ind AS 115-Revenue from Contracts with Customers

iv) Lease Receivables under Ind AS 116-Leases.

The Company follows the 'simplified approach' permitted under Ind AS 109, "Financial Instruments" for recognition of impairment loss allowance based on life time expected credit loss from initial recognition on contract assets, lease receivables and trade receivables resulting from transactions within the scope of Ind AS 116 and Ind AS 115.

For recognition of impairment loss on other financial assets, the Company assesses 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. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis. 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, the Company reverts to recognize impairment loss allowance based on 12-month ECL. The amount of expected credit loss/ reversal for the period is recognized as expense/income in the Statement of Profit and Loss.

**10.0 Inventories**

Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipment and are valued at cost or net realizable value (NRV) whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Scrap is valued at net realisable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs.

**11.0 Dividends**

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

**12.0 Financial liabilities**

Financial liabilities of the Company are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans and borrowings, trade and other payables.

**a) Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**b) Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

**c) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**d) Offsetting of financial instruments**

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

**e) Derivative financial instruments**

Derivative financial instruments that are held by the Company to hedge the foreign currency and interest rate risk exposures and are not designated as hedges are accounted for at fair value through profit or loss. Changes in fair value are recognised in the Statement of Profit and Loss.

**13.0 Government Grants**

a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the company will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

**14.0 Provisions, Contingent Liabilities and Contingent Assets**

a) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. 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 recognised 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 net of any reimbursement is presented in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion.

   If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) 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 management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

c) 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.

**15.0 Revenue Recognition and Other Income**

Company's revenues arise from sale and trading of energy, project management / construction contracts/ consultancy assignment services and other income. Revenue from other income comprises interest from banks, employees, contractors etc., dividend from investments in joint ventures and subsidiary companies, dividend from investments in equity in other bodies corporate, interest from investment in bonds, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

**a) Revenue from sale of power**

i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over the products or services to a customer.

ii) Revenue from sale of power (except minimum lease receipts in respect of power stations considered as Finance Lease/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 2019 as modified by the orders of Appellate Tribunal for Electricity to the extent applicable.In the case of Power Stations where provisional/ final tariff is yet to be notified or where incentives/ disincentives are chargeable/payable as per CERC (Terms & Conditions of Tariff) Regulations, revenue is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue.

iii) Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed (unbilled revenue).

iv) Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are recognised on year to year basis based on regulatory norms. Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.

v) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

vi) Advance Against Depreciation (AAD) considered as deferred income up to 31st March 2009 is included in sales on straight line basis over the balance useful life after a period of 12 years from the date of commercial operation of the Power Station.

**b) Revenue from Project Management / Construction Contracts/ Consultancy assignments**

i) Revenue from Project Management / Construction Contracts/ Consultancy assignments is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Company recognises revenue on the basis of input method. Input method recognises revenue on the basis of the costs incurred towards the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation.

ii) Contract modifications, if any, are accounted for when there is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Contract modifications are recorded on standalone basis when the scope of the contract increases because of the addition of promised goods or services or the price of the contract increases by an amount of consideration that reflects the Company's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**c) Revenue from trading of power**

i) Accounting for revenue from trading of power involves assessment of the contract conditions to determine whether the Company is required to act in the capacity of a principal or as an agent. The Company acts in the nature of a principal in case it obtains control of the electricity before transferring it to the customer. Indicators of control includes assessment of whether the company is primarily responsible for fulfilling the promise to provide the electricity, it has the discretion to establish the price or whether it bears the inventory risk. Where the Company does not obtain control of the electricity before transferring it to the customer and its performance obligation is to arrange for the supply of electricity by another party, it acts in the nature of an agent.

ii) Where the Company acts as a principal in a contract for trading of power, the amount of the transaction price allocated to the performance obligation that is satisfied is recognised as revenue.

iii) Where the Company acts as an agent in a contract for trading of power, the net consideration retained after paying the supplier for the electricity provided to the customer is recognised as revenue from operations. Financial assets and liabilities arising out of these transactions are not set off.

**d) Other income**

i) Dividend income is recognized when the right to receive the same is established.

ii) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, 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.

iii) Interest/Surcharge recoverable from customers including those arising out of contracts for trading of power and liquidated damages /interest on advances to contractors is recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur in the future.

## 16.0 Employee Benefits

### i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term performance related cash bonus 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.

### ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trusts and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction from future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Employees Defined Contribution Superannuation Scheme (EDCSS) for providing pension benefits and Social Security Scheme administered through separate trusts are accounted for as defined contribution plans.

### iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Gratuity Scheme, Retired Employees Health Scheme (REHS), Provident Fund Scheme, Allowance on Retirement/Death and Memento on Superannuation to employees are in the nature of defined benefit plans. All these plans, other than Allowance on Retirement/Death and Memento on Superannuation to employees are administered through separate trusts.

The liability or asset recognised in the Balance Sheet in respect of Gratuity and Retired Employees Health Scheme is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

In respect of Provident Fund Scheme, a liability is recognised in the Balance Sheet where the present value of the defined benefit obligation at the end of the reporting period is higher than the fair value of plan assets. Any surplus of fair value of plan assets over the present value of the defined benefit obligation at the end of the reporting period is not recognised as an asset since the Company does not have any right to the benefits either in the form of refunds from the Plan or by way of lower contribution to the Plan.

The defined benefit obligation is calculated annually by the actuary using the Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion.

Remeasurement gains (except in the case of Provident Fund Scheme) and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in Other

Comprehensive Income in the period in which they occur and are included in retained earnings in the Statement of Changes in Equity.

**iv) Other long-term employee benefits**

Benefits under the Company's leave encashment scheme constitute other long term employee benefits.

The Company's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The 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. Contributions to the scheme and actuarial gains or losses are recognised in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the period in which they arise.

**v) Termination benefits**

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to the Statement of Profit and Loss in the year of incurrence of such expenses.

**17.0 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 116–'Leases' and(c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the 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. All other borrowing costs are expensed in the period in which they occur.

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

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

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

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

**18.0 Depreciation and amortization**

a) Depreciation on additions to /deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.

b) (i) Depreciation on Property, Plant and Equipment of Operating Units of the Company capitalized till five years before the end of the useful life of the Power Station is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

(ii) Depreciation on Property, Plant and Equipment capitalized during the last five years of the useful life of a Power Station is charged on straight-line method for the period of extended life as per CERC Tariff Regulations/Orders, from the date on which such asset becomes available for use.

(iii) Where the life and/or efficiency of a Power Station is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively on straight-line method over the revised/remaining useful life.

c) i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.

d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the useful life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant and Machinery
- Computer and Peripherals

ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re. 1.

iii) Based on management assessment, depreciation on Roof Top Solar Power System/ Equipment is provided on straight line basis over a period of twenty five years with residual value of 10%.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining Re. 1/- as WDV.

f) Assets valuing Rs. 5000/- or less but more than Rs. 750/- are fully depreciated during the year in which the asset becomes available for use with Re. 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto Rs. 750/- are not capitalized and charged off to expenditure in the year of use.

h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.

i) Leasehold Land and buildings, of units other than operating units, is amortized over the period of lease or 40 years, whichever is lower.

j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

k) Right to use in respect of land is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.

l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.

m) 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, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.

n) Spare parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance useful life of the asset, wherever required.

**19.0 Impairment of non-financial assets other than inventories**

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

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.

d) In case a project under survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

e) Impairment losses recognised 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 amortisation, if no impairment loss had been recognised.

**20.0 Income Taxes**

Income tax expense comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

**a) Current tax**

Current tax is the expected tax payable on the taxable income for the year on the basis of the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years (temporary differences) and it further excludes items that are never taxable or deductible (permanent differences).

**b) Deferred tax**

i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in Other Comprehensive Income or Equity.

v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

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

**21.0 Compensation from third parties**

Impairments or losses of items, related claims for payments of compensation from third parties including insurance companies and any subsequent purchase or construction of assets/inventory are separate economic events and are accounted for separately.

Compensation from third parties including from insurance companies for items of property, plant and equipment or for other items that were impaired, lost or given up is included in the Statement of Profit and Loss when the compensation becomes receivable. Insurance claims for loss of profit are accounted for based on certainty of realisation.

**22.0 Segment Reporting**

a) In accordance with Ind AS 108 – Operating Segment, 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.

b) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108.

c) The Company has a single geographical segment as all its Power Stations are located within the Country.

**23.0 Leases**

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    - the Company has the right to operate the asset; or
    - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

**i. Company as a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Right of Use Assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Assessment of impairment is done using the principles of Ind AS 36-Impairment of Assets as given in Significant Accounting Policy No. 19.0 above.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or when a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as a separate line item on the face of the balance sheet.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**ii. Company as a lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease receipts are identified by segregating the embedded lease receipts from the contract amounts (including Advance Against Depreciation (AAD) recognised in accordance with CERC Tariff regulations 2004-09 up to 31st March 2009 and considered as deferred income). Each lease receipt is allocated between the receivable and finance lease income (forming part of revenue from operations)so as to achieve a constant rate of return on the Lease Receivable outstanding.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of Ind AS 109-Financial Instruments, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115-"*Revenue from Contracts with Customers"* to allocate the consideration in the contract.

In the case of Operating Leases or embedded operating leases, the lease income from the operating lease is recognised in revenue over the lease term to reflect the pattern of use benefit derived from the leased asset. The respective leased assets are included in the Balance Sheet based on their nature and depreciated over its economic life.

**24.0 Business combinations**

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

**25.0 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 unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

**26.0 Earnings per share**

a) 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.

b) 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.

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

**27.0 Statement of Cash Flows**

a) **Cash and Cash Equivalents:**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, for Balance Sheet presentation, Bank overdrafts are shown within "Borrowings" under Current Liabilities.

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

**28.0 Current versus non-current classification**

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

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the 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.

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

**29.0 Miscellaneous**

a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Company.

## (IV) Recent accounting pronouncements: Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. As on date there is no notification which would have been applicable from April 1, 2021.

## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold **(Refer Note 2.1.1 and 2.1.2)** | 392.37 | 13.64 | 0.30 | (0.31) | 405.40 | - | - | - | - | 405.40 | 392.37 |
| Roads and Bridges | 312.02 | 4.41 | 0.11 | (7.31) | 309.01 | 65.65 | 11.66 | (1.17) | 76.14 | 232.87 | 246.37 |
| Buildings | 2,404.26 | 30.78 | 0.52 | (182.43) | 2252.09 | 440.45 | 76.04 | (31.81) | 484.68 | 1,767.41 | 1,963.81 |
| Railway Sidings | 16.57 | - | - | (3.51) | 13.06 | 16.57 | - | (3.51) | 13.06 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | 16,737.99 | 19.77 | 0.17 | (989.85) | 15767.74 | 4,330.75 | 748.75 | (277.16) | 4,802.34 | 10,965.40 | 12,407.24 |
| Generating Plant and Machinery | 8,313.65 | 147.22 | 47.24 | (594.19) | 7819.44 | 2,203.79 | 355.14 | (196.69) | 2,362.24 | 5,457.20 | 6,109.86 |
| Plant and machinery - Sub-Station | 56.01 | 1.16 | 0.55 | (2.48) | 54.14 | 13.72 | 2.43 | (0.72) | 15.43 | 38.71 | 42.29 |
| Plant and machinery - Transmission Lines | 71.08 | 0.90 | - | (1.57) | 70.41 | 22.29 | 4.28 | (0.59) | 25.98 | 44.43 | 48.79 |
| Plant and machinery - Others | 36.19 | 3.68 | 0.19 | (0.44) | 39.24 | 11.93 | 1.95 | (0.13) | 13.75 | 25.49 | 24.26 |
| Construction Plant and Machinery | 54.42 | 2.49 | 0.08 | (4.51) | 52.32 | 23.86 | 3.66 | (1.36) | 26.16 | 26.16 | 30.56 |
| Water Supply System/Drainage and Sewerage | 55.36 | 5.17 | 0.04 | (1.43) | 59.06 | 10.50 | 2.31 | (0.25) | 12.56 | 46.50 | 44.86 |
| Electrical Installations | 16.17 | 1.18 | - | (0.21) | 17.14 | 1.61 | 0.71 | (0.02) | 2.30 | 14.84 | 14.56 |
| Vehicles | 22.75 | 1.40 | 0.41 | (0.44) | 23.30 | 8.31 | 1.34 | (0.26) | 9.39 | 13.91 | 14.44 |
| Aircraft/ Boats | 1.91 | 0.17 | 0.05 | (0.10) | 1.93 | 0.47 | 0.14 | (0.03) | 0.58 | 1.35 | 1.44 |
| Furniture and Fixtures | 37.81 | 1.74 | 0.24 | (1.82) | 37.49 | 11.78 | 2.14 | (0.55) | 13.37 | 24.12 | 26.03 |
| Computer and Peripherals | 45.42 | 7.66 | 1.33 | (1.89) | 49.86 | 30.04 | 6.40 | (2.26) | 34.18 | 15.68 | 15.38 |
| Communication Equipments | 12.23 | 1.23 | 0.17 | (0.08) | 13.21 | 3.70 | 0.65 | (0.14) | 4.21 | 9.00 | 8.53 |
| Office Equipments | 108.49 | 11.15 | 0.80 | (2.43) | 116.41 | 35.95 | 6.53 | (1.21) | 41.27 | 75.14 | 72.54 |
| **TOTAL** | **28,694.70** | **253.75** | **52.20** | **(1,795.00)** | **27,101.25** | **7,231.37** | **1,224.13** | **(517.86)** | **7,937.64** | **19,163.61** | **21,463.33** |
| Previous Year | 28,660.92 | 386.17 | 30.98 | (1.82) | 28,694.70 | 5,720.23 | 1,547.17 | (13.59) | 7,231.37 | 21,463.33 | |

**Note: -**

2.1.1 a) Freehold land in possession of Salal Power Station (a Power Station of NHPC Limited), amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1458.55 hectare (Previous year 1458.55hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir. Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.0004 crore (Previous year ₹ 0.0004 crore) covering an area of 0.10 hectare (Previous year 0.10 hectare) is yet to be executed/ passed.

b) In respect of Dibang Multipurpose Project, title deeds/title in respect of freehold land which is mutated in favour of NHPC amounting to ₹ 24.90 crore (previous year ₹ 13.77 crore) covering an area of 98.38 Hectare (previous year 51.38 Hectare) is yet to be executed/passed.

c) In respect of other units, title deeds/title in respect of freehold land amounting to ₹ 6.70 crore (Previous year ₹ 6.70 crore ) covering an area of 92.00 hectare (Previous year 92.00 hectare) is yet to be executed/passed.

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Adjustments to Gross Block and depreciation include adjustment for amount derecognised from PPE and recognised as Lease Receivables under Financial Assets in respect of TLD-III Power Station which is accounted as Finance Lease under Ind AS 116- Leases. ( Refer Note 34 (16) (B) (ii))

2.1.4 Pending approval of revised cost estimates (RCE) of Sewa-II, Kishanganga, Chamera-III, Teesta Low Dam-III, Uri-II & Teesta Low Dam-IV Power Stations, capital expenditure incurred on these power stations has been considered for capitalisation.

2.1.5 Refer Note No 34(9) of Standalone Financial Statement for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.6 Refer Note no. 34(4) of Standalone Financial Statements for information regarding assets capitalised on provisional basis.

2.1.7 Refer Note no. 34(18) of Standalone Financial Statements for information regarding Impairment of Assets.

2.1.8 Foreign Exchange Rate Variation included in Adjustments to gross block of the assets are as follows: -

| **PARTICULARS** | **For the year ended 31.03.2021 (₹ in crore)** | **For the year ended 31.03.2020 (₹ in crore)** |
|---|---|---|
| Roads and Bridges | (1.03) | - |
| Buildings | (7.29) | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | (32.76) | - |
| Generating Plant and machinery | (8.52) | - |
| Plant and machinery Sub station | (0.07) | - |
| Water Supply System/Drainage and Sewerage | (0.04) | - |
| **Total** | **(49.71)** | **-** |

2.1.9 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

### Additional Disclosure of Property, Plant and Equipment

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold | 392.37 | 13.64 | 0.30 | (0.31) | 405.40 | - | - | - | - | 405.40 | 392.37 |
| Roads and Bridges | 405.63 | 4.41 | 0.14 | (7.67) | 402.23 | 159.26 | 11.66 | (1.56) | 169.36 | 232.87 | 246.37 |
| Buildings | 3,130.33 | 30.78 | 0.52 | (194.74) | 2,965.85 | 1,166.52 | 76.04 | (44.12) | 1,198.44 | 1,767.41 | 1,963.81 |
| Railway Sidings | 36.10 | - | - | (4.12) | 31.98 | 36.10 | - | (4.12) | 31.98 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | 22,543.91 | 19.77 | 0.18 | (1,098.89) | 21,464.61 | 10,136.67 | 748.75 | (386.21) | 10,499.21 | 10,965.40 | 12,407.24 |
| Generating Plant and Machinery | 11,293.72 | 147.22 | 53.88 | (660.68) | 10,726.38 | 5,183.86 | 355.14 | (269.82) | 5,269.18 | 5,457.20 | 6,109.86 |
| Plant and machinery - Sub-Station | 107.52 | 1.16 | 0.72 | (2.55) | 105.41 | 65.23 | 2.43 | (0.96) | 66.70 | 38.71 | 42.29 |
| Plant and machinery - Transmission Lines | 98.27 | 0.90 | - | (1.79) | 97.38 | 49.48 | 4.28 | (0.81) | 52.95 | 44.43 | 48.79 |
| Plant and machinery - Others | 52.50 | 3.68 | 0.81 | (0.49) | 54.88 | 28.24 | 1.95 | (0.80) | 29.39 | 25.49 | 24.26 |
| Construction Plant and Machinery | 112.59 | 2.49 | 0.49 | (4.66) | 109.93 | 82.03 | 3.66 | (1.92) | 83.77 | 26.16 | 30.56 |
| Water Supply System/Drainage and Sewerage | 65.16 | 5.17 | 0.03 | (1.49) | 68.81 | 20.30 | 2.31 | (0.30) | 22.31 | 46.50 | 44.86 |
| Electrical Installations | 17.37 | 1.18 | - | (0.22) | 18.33 | 2.81 | 0.71 | (0.03) | 3.49 | 14.84 | 14.56 |
| Vehicles | 32.71 | 1.40 | 0.77 | (0.44) | 32.90 | 18.27 | 1.34 | (0.62) | 18.99 | 13.91 | 14.44 |
| Aircraft/ Boats | 2.15 | 0.17 | 0.05 | (0.10) | 2.17 | 0.71 | 0.14 | (0.03) | 0.82 | 1.35 | 1.44 |
| Furniture and Fixtures | 62.08 | 1.74 | 0.36 | (2.06) | 61.40 | 36.05 | 2.14 | (0.91) | 37.28 | 24.12 | 26.03 |
| Computer and Peripherals | 73.29 | 7.66 | 2.60 | (2.13) | 76.22 | 57.91 | 6.40 | (3.77) | 60.54 | 15.68 | 15.38 |
| Communication Equipments | 17.94 | 1.23 | 0.33 | (0.08) | 18.76 | 9.41 | 0.65 | (0.30) | 9.76 | 9.00 | 8.53 |
| Office Equipments | 164.05 | 11.15 | 2.29 | (2.86) | 170.05 | 91.51 | 6.53 | (3.13) | 94.91 | 75.14 | 72.54 |
| **TOTAL** | **38,607.69** | **253.75** | **63.47** | **(1,985.28)** | **36,812.69** | **17,144.36** | **1,224.13** | **(719.41)** | **17,649.08** | **19,163.61** | **21,463.33** |
| Previous Year | 38,595.53 | 386.17 | 39.13 | (1.87) | 38,607.69 | 15,654.84 | 1,547.17 | (21.80) | 17,144.36 | 21,463.33 | |

**Note: -**

Underground works amounting to ₹ 10494.51 crore (Previous Year ₹ 10491.91 crore ), created on "Land -Right to Use" classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassification due to IND AS 116 | Addition | Deduction | Adjustment | As at 31.03.2020 | As at 01.04.2019 | Reclassification due to IND AS 116 | For the year | Adjustment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Freehold **(Refer Note 2.1.1 and 2.1.2)** | 331.99 | - | 61.18 | 0.41 | (0.39) | 392.37 | - | - | - | - | - | 392.37 | 331.99 |
| Land – Right of Use **(Refer Note 2.1.8)** | 302.58 | (302.58) | - | - | - | - | 22.07 | (22.08) | - | 0.01 | - | - | 280.51 |
| Roads and Bridges | 222.21 | - | 89.80 | - | 0.01 | 312.02 | 41.03 | - | 24.60 | 0.02 | 65.65 | 246.37 | 181.18 |
| Buildings | 2,351.70 | - | 52.93 | 0.14 | (0.23) | 2,404.26 | 354.26 | - | 86.15 | 0.04 | 440.45 | 1,963.81 | 1,997.44 |
| Building-Right of Use **(Refer Note 2.1.8)** | 17.01 | (17.01) | - | - | - | - | 0.36 | (0.36) | - | - | - | - | 16.65 |
| Railway Sidings | 16.57 | - | - | - | - | 16.57 | 13.10 | - | 3.47 | - | 16.57 | - | 3.47 |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | 16,714.21 | - | 25.19 | 1.40 | (0.01) | 16,737.99 | 3,400.52 | - | 931.37 | (1.14) | 4,330.75 | 12,407.24 | 13,313.69 |
| Generating Plant and Machinery | 8,220.79 | - | 120.29 | 25.71 | (1.72) | 8,313.65 | 1,746.91 | - | 468.30 | (11.42) | 2,203.79 | 6,109.86 | 6,473.88 |
| Plant and machinery - Sub-Station | 51.30 | - | 4.74 | 0.04 | 0.01 | 56.01 | 11.44 | - | 2.30 | (0.02) | 13.72 | 42.29 | 39.86 |
| Plant and machinery - Transmission Lines | 70.71 | - | 0.57 | - | (0.20) | 71.08 | 17.45 | - | 4.84 | - | 22.29 | 48.79 | 53.26 |
| Plant and machinery - Others | 36.01 | - | 0.36 | 0.01 | (0.17) | 36.19 | 10.11 | - | 1.85 | (0.03) | 11.93 | 24.26 | 25.90 |
| Construction Equipment | 52.53 | - | 1.80 | 0.18 | 0.27 | 54.42 | 19.90 | - | 4.00 | (0.04) | 23.86 | 30.56 | 32.63 |
| Water Supply System/Drainage and Sewerage | 52.44 | - | 2.93 | 0.01 | - | 55.36 | 8.44 | - | 2.07 | (0.01) | 10.50 | 44.86 | 44.00 |
| Electrical Installations | 4.78 | - | 7.88 | 0.38 | 3.89 | 16.17 | 0.91 | - | 0.56 | 0.14 | 1.61 | 14.56 | 3.87 |
| Vehicles | 22.39 | - | 1.04 | 0.68 | - | 22.75 | 6.88 | - | 1.49 | (0.06) | 8.31 | 14.44 | 15.51 |
| Aircraft/ Boats | 1.92 | - | - | 0.01 | - | 1.91 | 0.32 | - | 0.15 | - | 0.47 | 1.44 | 1.60 |
| Furniture and Fixtures | 35.93 | - | 2.00 | 0.12 | - | 37.81 | 9.53 | - | 2.28 | (0.03) | 11.78 | 26.03 | 26.40 |
| Computers | 39.07 | - | 7.16 | 0.82 | 0.01 | 45.42 | 24.15 | - | 6.40 | (0.51) | 30.04 | 15.38 | 14.92 |
| Communication Equipments | 11.78 | - | 0.59 | 0.14 | - | 12.23 | 3.10 | - | 0.68 | (0.08) | 3.70 | 8.53 | 8.68 |
| Office Equipments | 105.00 | - | 7.71 | 0.93 | (3.29) | 108.49 | 29.75 | - | 6.66 | (0.46) | 35.95 | 72.54 | 75.25 |
| **TOTAL** | **28,660.92** | **(319.59)** | **386.17** | **30.98** | **(1.82)** | **28,694.70** | **5,720.23** | **(22.44)** | **1,547.17** | **(13.59)** | **7,231.37** | **21,463.33** | **22,940.69** |
| Previous Year | 23,242.27 | - | 5,450.87 | 15.87 | (16.35) | 28,660.92 | 4,152.16 | - | 1,591.73 | (23.66) | 5,720.23 | 22,940.69 | |

**Note:-**

2.1.1 a) Freehold land amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1458.55 hectare (Previous year 1458.55hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.0004 crore (Previous year ₹ 0.0004 crore) covering an area of 0.10 hectare (Previous year 0.10 hectare) is however, yet to be executed/ passed.

b) In respect of other units, title deeds/title in respect of freehold land amounting to ₹ 20.47 crore (Previous year ₹ 6.73 crore ) covering an area of 143.38 hectare (Previous year 109.75 hectare) is however, yet to be executed/passed.

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Adjustments to Gross Block include adjustment for depreciation charged and capitalized during construction of a project.

2.1.4 Pending approval of revised cost estimates (RCE) of Sewa-II, Kishanganga, Chamera-III, Teesta Low Dam-III, Uri-II & Teesta Low Dam-IV Power Stations, capital expenditure incurred on these power stations has been considered for capitalisation.

2.1.5 Refer Note No 34(9) of Standalone Financial Statement for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.6 Refer Note no. 34(4) of Standalone Financial Statements for information regarding assets capitalised on provisional basis.

2.1.7 Refer Note no. 34(18) of Standalone Financial Statements for information regarding Impairment of Assets.

2.1.8 Land- Leasehold , Building- Leasehold amounting to ₹ 319.59 Crore have been reclassified and presented as Right of Use assets on the Balance Sheet due to Ind AS-116. Refer Note 34(16) for further disclosure under Ind AS 116-Leases.

2.1.9 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT
### Additional Disclosure of Property, Plant and Equipment

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassification due to IND AS 116 | Addition | Deduction | Adjustment | As at 31.03.2020 | As at 01.04.2019 | Reclassification due to IND AS 116 | For the year | Adjustment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Freehold | 331.99 | - | 61.18 | 0.41 | (0.39) | 392.37 | - | - | - | - | - | 392.37 | 331.99 |
| Land –Right of Use | 316.00 | (316.00) | - | - | - | - | 35.49 | (35.49) | - | - | - | - | 280.51 |
| Roads and Bridges | 315.83 | - | 89.80 | - | - | 405.63 | 134.65 | - | 24.60 | 0.01 | 159.26 | 246.37 | 181.18 |
| Buildings | 3,078.27 | - | 52.93 | 0.59 | (0.28) | 3,130.33 | 1,080.83 | - | 86.15 | (0.46) | 1,166.52 | 1,963.81 | 1,997.44 |
| Building-Under Lease | 17.01 | (17.01) | - | - | - | - | 0.36 | (0.36) | - | - | - | - | 16.65 |
| Railway Sidings | 36.10 | - | - | - | - | 36.10 | 32.63 | - | 3.47 | - | 36.10 | - | 3.47 |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | 22,520.13 | - | 25.19 | 1.41 | - | 22,543.91 | 9,206.44 | - | 931.37 | (1.14) | 10,136.67 | 12,407.24 | 13,313.69 |
| Generating Plant and Machinery | 11,202.45 | - | 120.29 | 27.23 | (1.79) | 11,293.72 | 4,728.57 | - | 468.30 | (13.01) | 5,183.86 | 6,109.86 | 6,473.88 |
| Plant and machinery - Sub-Station | 102.93 | - | 4.74 | 0.17 | 0.02 | 107.52 | 63.07 | - | 2.30 | (0.14) | 65.23 | 42.29 | 39.86 |
| Plant and machinery - Transmission Lines | 97.91 | - | 0.57 | - | (0.21) | 98.27 | 44.65 | - | 4.84 | (0.01) | 49.48 | 48.79 | 53.26 |
| Plant and machinery - Others | 52.31 | - | 0.36 | 0.01 | (0.16) | 52.50 | 26.41 | - | 1.85 | (0.02) | 28.24 | 24.26 | 25.90 |
| Construction Plant and Machinery | 111.95 | - | 1.80 | 1.49 | 0.33 | 112.59 | 79.32 | - | 4.00 | (1.29) | 82.03 | 30.56 | 32.63 |
| Water Supply System/Drainage and Sewerage | 62.24 | - | 2.93 | 0.01 | - | 65.16 | 18.24 | - | 2.07 | (0.01) | 20.30 | 44.86 | 44.00 |
| Electrical Installations | 5.99 | - | 7.88 | 0.39 | 3.89 | 17.37 | 2.12 | - | 0.56 | 0.13 | 2.81 | 14.56 | 3.87 |
| Vehicles | 33.08 | - | 1.04 | 1.41 | - | 32.71 | 17.57 | - | 1.49 | (0.79) | 18.27 | 14.44 | 15.51 |
| Aircraft/ Boats | 2.18 | - | - | 0.03 | - | 2.15 | 0.58 | - | 0.15 | (0.02) | 0.71 | 1.44 | 1.60 |
| Furniture and Fixtures | 60.46 | - | 2.00 | 0.38 | - | 62.08 | 34.06 | - | 2.28 | (0.29) | 36.05 | 26.03 | 26.40 |
| Computer and Peripherals | 69.45 | - | 7.16 | 3.32 | - | 73.29 | 54.53 | - | 6.40 | (3.02) | 57.91 | 15.38 | 14.92 |
| Communication Equipments | 17.57 | - | 0.59 | 0.22 | - | 17.94 | 8.89 | - | 0.68 | (0.16) | 9.41 | 8.53 | 8.68 |
| Office Equipments | 161.68 | - | 7.71 | 2.06 | (3.28) | 164.05 | 86.43 | - | 6.66 | (1.58) | 91.51 | 72.54 | 75.25 |
| **TOTAL** | **38,595.53** | **(333.01)** | **386.17** | **39.13** | **(1.87)** | **38,607.69** | **15,654.84** | **(35.85)** | **1,547.17** | **(21.80)** | **17,144.36** | **21,463.33** | **22,940.69** |
| Previous Year | 33,240.98 | - | 5,450.88 | 30.23 | (66.10) | 38,595.53 | 14,150.87 | - | 1,591.73 | (87.76) | 15,654.84 | 22,940.69 | 19,090.11 |

**Note:-**

Underground works amounting to ₹ 10491.91 crore (Previous Year ₹ 10508.57 crore ), created on "Land-Right to Use" classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

## Note No. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

| Particulars | As at 01.04.2020 | Addition | Adjustment | Capitalised | As at 31.03.2021 |
|---|---|---|---|---|---|
| Roads and Bridges | 7.13 | 5.56 | - | 4.41 | 8.28 |
| Buildings | 929.54 | 46.31 | (21.58) | 31.95 | 922.32 |
| Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels) | 5,031.26 | 612.96 | (47.81) | 14.47 | 5,581.94 |
| Generating Plant and Machinery | 2,650.57 | 106.17 | (12.09) | 85.75 | 2,658.90 |
| Plant and Machinery - Sub-Station | - | 2.41 | - | - | 2.41 |
| Plant and Machinery - Transmission Lines | 1.52 | 1.13 | - | 0.27 | 2.38 |
| Plant and Machinery - Others | 0.49 | 2.34 | - | 1.16 | 1.67 |
| Water Supply System/Drainage and Sewerage | 2.95 | 3.51 | - | 4.81 | 1.65 |
| Assets awaiting Installation | 15.02 | 34.53 | (3.96) | 33.84 | 11.75 |
| Survey, Investigation, Consultancy and Supervision Charges | 162.02 | 21.78 | (0.31) | 1.47 | 182.02 |
| Expenditure Attributable to Construction **(Refer Note-32)** | 8,028.63 | 1,248.89 | (5.32) | 11.88 | 9,260.32 |
| **Sub total** | **16,829.13** | **2,085.59** | **(91.07)** | **190.01** | **18,633.64** |
| Less: Capital Work in Progress provided **(Refer Note 2.2.2)** | 820.78 | 144.63 | (10.83) | - | 954.58 |
| **Sub total (a)** | **16,008.35** | **1,940.96** | **(80.24)** | **190.01** | **17,679.06** |
| Construction Stores | 90.65 | | (14.90) | | 75.75 |
| Less : Provisions for construction stores | 1.35 | | (1.02) | | 0.33 |
| **Sub total (b)** | **89.30** | **-** | **(13.88)** | **-** | **75.42** |
| **TOTAL (a + b)** | **16,097.65** | **1,940.96** | **(94.12)** | **190.01** | **17,754.48** |
| Previous Year | 14,898.11 | 1,503.81 | (16.58) | 287.69 | 16,097.65 |

**Note:-**

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 918.77 Crore (Previous year ₹ 661.79 Crore) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**

2.2.2 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1192.72 Crore (Previous Year ₹ 1141.05 Crore) including Survey, Investigation, Consultancy and Supervision Charges of ₹ 138.52 crore (Previous Year ₹ 119.54 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore(Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred thereon, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ 1149.20 Crore (Previous Year ₹ 1097.53 Crore) pertaining to projects with the company, a sum of ₹ 911.06 Crore (Previous Year ₹ 777.26 Crore) has been provided for where uncertainties are attached and ₹ 238.14 Crore (Previous Year ₹ 320.27 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(24), 34(25), 34(26) and 34(27))**

2.2.3 Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects if any, is recoverable from respective Private Developers.

2.2.4 Underground Works amounting to ₹ 2317.10 Crore (Previous Year ₹ 2234.15 Crore) created on "Land -Right to Use" classified under Right of Use Assets, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(9) of Standalone Financial Statements for information of non-current assets pledged with banks as security for related borrowings.

2.2.6 Capital Expenditure on projects under construction approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some projects take longer period than envisaged. As a consequence cost escalations occur, which require approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

2.2.7 Refer Note no. 34(4) of Standalone Financial Statements for information regarding assets capitalised on provisional basis.

2.2.8 Refer Note no. 34(18) of Standalone Financial Statements for information regarding Impairment of Assets.

2.2.9 Post Renovation and Modernization, the Company has commissioned and capitalised Unit#1 of Bairasiul Power Station during the year.

## Note No. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

| Particulars | As at 01.04.2019 | Addition | Adjustment | Capitalised | As at 31.03.2020 |
|---|---|---|---|---|---|
| Roads and Bridges | 92.99 | 2.94 | - | 88.80 | 7.13 |
| Buildings | 906.11 | 76.37 | 2.11 | 55.05 | 929.54 |
| Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels) | 4,520.38 | 521.42 | 6.13 | 16.67 | 5,031.26 |
| Generating Plant and Machinery | 2,584.49 | 134.14 | 0.49 | 68.55 | 2,650.57 |
| Plant and Machinery - Sub-Station | 2.98 | 1.31 | - | 4.29 | - |
| Plant and Machinery - Transmission Lines | 1.28 | 1.15 | (0.01) | 0.90 | 1.52 |
| Plant and Machinery - Others | - | 0.49 | - | - | 0.49 |
| Construction Equipments | - | 0.02 | - | 0.02 | - |
| Water Supply System/Drainage and Sewerage | 1.93 | 2.80 | - | 1.78 | 2.95 |
| Assets awaiting Installation | 12.37 | 41.62 | (0.46) | 38.51 | 15.02 |
| Survey, Investigation, Consultancy and Supervision Charges | 157.65 | 4.36 | 0.01 | - | 162.02 |
| Expenditure Attributable to Construction **(Refer Note-32)** | 7,178.58 | 871.92 | (8.75) | 13.12 | 8,028.63 |
| **Sub total** | **15,458.76** | **1,658.54** | **(0.48)** | **287.69** | **16,829.13** |
| Less: Capital Work in Progress provided **(Refer Note 2.2.2)** | 666.05 | 154.73 | - | - | 820.78 |
| **Sub total (a)** | **14,792.71** | **1,503.81** | **(0.48)** | **287.69** | **16,008.35** |
| Construction Stores | 107.81 | | (17.16) | | 90.65 |
| Less : Provisions for construction stores | 2.41 | | (1.06) | | 1.35 |
| **Sub total (b)** | **105.40** | **-** | **(16.10)** | **-** | **89.30** |
| **TOTAL (a + b)** | **14,898.11** | **1,503.81** | **(16.58)** | **287.69** | **16,097.65** |
| Previous Year | 18,813.96 | 1,518.48 | (84.37) | 5,349.96 | 14,898.11 |

**Note:-**

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 661.79 Crore (Previous year ₹ 368.11 Crore) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**

2.2.2 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1141.05 Crore (Previous Year ₹ 1419.98 Crore) including Survey, Investigation, Consultancy and Supervision Charges of ₹ 119.54 crore (Previous Year ₹ 148.93 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore(Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ 1097.53 Crore (Previous Year ₹ 1376.46 Crore) pertaining to projects with the company, a sum of ₹ 777.26 Crore (Previous Year ₹ 622.53 Crore) has been provided upto date where uncertainties are attached and ₹ 320.27 Crore (Previous Year ₹ 753.93 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(24), 34(25), 34(26) and 34(27))**

2.2.3 Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects if any, is recoverable from respective Private Developers.

2.2.4 Underground Works amounting to ₹ 2234.15 Crore (Previous Year ₹ 2172.97 Crore) created on "Land -Right to Use" classified under Right of Use Assets, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(9) of Standalone Financial Statements for information of non-current assets pledged with banks as security for related borrowings.

2.2.6 Capital Expenditure on projects under construction approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

2.2.7 Refer Note no. 34(4) of Standalone Financial Statements for information regarding assets capitalised on provisional basis.

2.2.8 Refer Note no. 34(18) of Standalone Financial Statements for information regarding Impairment of Assets.

2.2.9 Capital work in progress includes ₹ 7263.48 crores (Previous year ₹ 6317.39 Crore) in respect of Subansiri Lower HE Project where active construction have been resumed from October 19 after interruption in the construction activities from December 2011 till September 2019.

## NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Leasehold **(Refer Note 2.3.1)** | 315.44 | - | - | (3.50) | 311.94 | 33.65 | 11.33 | (0.61) | 44.37 | 267.57 | 281.79 |
| Building under Lease | 21.27 | 1.47 | 17.34 | - | 5.40 | 2.38 | 1.85 | (1.18) | 3.05 | 2.35 | 18.89 |
| Vehicles | 3.44 | 1.57 | 0.61 | - | 4.40 | 1.93 | 1.82 | (0.61) | 3.14 | 1.26 | 1.51 |
| Land-Right of Use | 1,564.03 | - | 0.17 | (38.91) | 1,524.95 | 39.24 | 10.30 | (6.33) | 43.21 | 1,481.74 | 1,524.79 |
| **TOTAL** | **1,904.18** | **3.04** | **18.12** | **(42.41)** | **1,846.69** | **77.20** | **25.30** | **(8.73)** | **93.77** | **1,752.92** | **1,826.98** |
| Previous Year | 14.90 | 636.87 | 0.37 | | 1,904.18 | | 27.32 | (0.10) | 77.20 | 1,826.98 | |

**Note: -**

2.3.1 a) Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area 1.06 hectare (previous year 1.06 hectare) has been handed over to Indo-Tibetan Border Police (ITBP).

b) In respect of other units, lease deeds in respect of leasehold land gross amount to ₹ 165.35 Crore (Previous year ₹ 251.40 Crore ) covering an area of 397.21 hectare (Previous year 530.88 hectare) are yet to be executed/passed.

2.3.2 Refer Note no. 34(18) of Standalone Financial Statements for information regarding Impairment of Assets.

2.3.3 Adjustments to Gross Block and depreciation include adjustment for amount derecognised from Right of Use Assets and recognised as Lease Receivables under Financial Assets in respect of TLD-III Power Station which is accounted as Finance Lease under Ind AS 116- Leases. ( Refer Note 34 (16) (B) (ii))

2.3.4 Additional disclosure of Right of use Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-1 TO NOTE NO. 2.3 RIGHT OF USE ASSETS

**Additional Disclosure of Right of Use Assets**

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Leasehold | 328.85 | - | - | (3.76) | 325.09 | 47.06 | 11.33 | (0.87) | 57.52 | 267.57 | 281.79 |
| Building under Lease | 21.27 | 1.47 | 17.34 | - | 5.40 | 2.38 | 1.85 | (1.18) | 3.05 | 2.35 | 18.89 |
| Vehicles | 3.44 | 1.57 | 0.61 | - | 4.40 | 1.93 | 1.82 | (0.61) | 3.14 | 1.26 | 1.51 |
| Land-Right of Use | 1,592.98 | - | 0.17 | (40.77) | 1,552.04 | 68.19 | 10.30 | (8.19) | 70.30 | 1,481.74 | 1,524.79 |
| **TOTAL** | **1,946.54** | **3.04** | **18.12** | **(44.53)** | **1,886.93** | **119.56** | **25.30** | **(10.85)** | **134.01** | **1,752.92** | **1,826.98** |
| Previous Year | 14.90 | 636.87 | 0.37 | (0.01) | 1,946.54 | | 27.32 | (0.10) | 119.56 | 1,826.98 | |

## NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassification due to IND AS 116 | Addition | Deduction | Adjustment | As at 31.03.2020 | As at 01.04.2019 | Reclassification due to IND AS 116 | For the year | Adjustment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Leasehold **(Refer Note 2.3.1)** | 9.10 | 302.58 | 3.76 | - | - | 315.44 | - | 22.08 | 11.57 | - | 33.65 | 281.79 | |
| Building under Lease **(Refer note 2.3.2)** | 3.61 | 17.01 | 0.97 | 0.32 | - | 21.27 | - | 0.36 | 2.09 | (0.07) | 2.38 | 18.89 | |
| Vehicles | 2.19 | - | 1.30 | 0.05 | - | 3.44 | - | - | 1.96 | (0.03) | 1.93 | 1.51 | |
| Land-Right of Use | - | 933.19 | 630.84 | - | - | 1,564.03 | - | 27.54 | 11.70 | - | 39.24 | 1,524.79 | - |
| **TOTAL** | **14.90** | **1,252.78** | **636.87** | **0.37** | **-** | **1,904.18** | **-** | **49.98** | **27.32** | **(0.10)** | **77.20** | **1,826.98** | **-** |
| Previous Year | | | | | | | | | | | | | |

**Note: -**

2.3.1 a) Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area 1.06 hectare (previous year 1.06 hectare) has been handed over to Indo-Tibetan Border Police(ITBP).

b) In respect of other units, lease deeds in respect of leasehold land gross amount to ₹ 251.40 Crore (Previous year ₹ 247.90 Crore ) covering an area of 530.88 hectare (Previous year 519.68 hectare) are yet to be executed/passed.

c) Land -Leasehold includes amounting to Rs. 9.41 Crore(Previous Year Rs.NIL) recognised during the year as Right of Use Asset pursuant to Ind AS 116-Leases which were earlier classified as operating leases. Refer Note 34(16) for further disclosure under Ind AS 116.

2.3.2 "Building under Lease" includes building space of 5001 sq. feet in Kidwai Nagar, New Delhi amounting to Rs.17.01/- Crore(Previous year Rs. 17.01/- Crore) acquired during Financial Year 2018-19. Lease deed in respect of the same is pending execution.

2.3.3 Refer Note no. 34(18) of Standalone Financial Statements for information regarding Impairment of Assets.

2.3.4 Land- Leasehold , Building- Leasehold and Land Right of Use amounting to ₹ 1252.78 Crore have been reclassified during the year from Property, Plant and Equipment and Intangible Assets due to Ind AS-116-Leases.

2.3.5 Additional disclosure of Right of use Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-1 TO NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassification due to IND AS 116 | Addition | Deduction | Adjustment | As at 31.03.2020 | As at 01.04.2019 | Reclassification due to IND AS 116 | For the year | Adjustment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Leasehold | 9.10 | 316.00 | 3.76 | - | (0.01) | 328.85 | - | 35.49 | 11.57 | - | 47.06 | 281.79 | |
| Building under Lease | 3.61 | 17.01 | 0.97 | 0.32 | - | 21.27 | - | 0.36 | 2.09 | (0.07) | 2.38 | 18.89 | |
| Vehicles | 2.19 | - | 1.30 | 0.05 | - | 3.44 | - | - | 1.96 | (0.03) | 1.93 | 1.51 | |
| Land-Right of Use | - | 962.14 | 630.84 | - | - | 1,592.98 | - | 56.49 | 11.70 | - | 68.19 | 1,524.79 | - |
| **TOTAL** | **14.90** | **1,295.15** | **636.87** | **0.37** | **(0.01)** | **1,946.54** | **-** | **92.34** | **27.32** | **(0.10)** | **119.56** | **1,826.98** | **-** |
| Previous Year | | | | | | | | | | | | | |

## NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | 4.49 |
| **TOTAL** | **4.49** | **-** | **-** | **-** | **4.49** | **-** | **-** | **-** | **-** | **4.49** | **4.49** |
| Previous Year | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | |

### 2.4.1 Amounts recognised in the Statement of Profit and Loss for investment property

(₹ in crore)

| | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Rental income | Nil | Nil |
| Direct operating expenses from property that generated rental income | Nil | Nil |
| Direct operating expenses from property that did not generate rental income | Nil | Nil |

(₹ in crore)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **2.4.2 Fair Value of investment property** | 72.87 | 53.58 |

2.4.3 Investment property comprise of freehold land which was bought for normal business requirements of the Company. However, due to change in business plans, the Company is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

### 2.4.4 Valuation process

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level-II of fair valuation hierarchy.

## NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Addition | Deduction | Adjust-ment | As at 31.03.2020 | As at 01.04.2019 | For the year | Adjust-ment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Freehold | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | 4.49 |
| **TOTAL** | **4.49** | **-** | **-** | **-** | **4.49** | **-** | **-** | **-** | **-** | **4.49** | **4.49** |
| Previous Year | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | |

**2.4.1 Amounts recognised in the Statement of Profit and Loss for investment property**

(₹ in crore)

| | For the year ended 31.03.2020 | For the year ended 31.03.2019 |
|---|---|---|
| Rental income | Nil | Nil |
| Direct operating expenses from property that generated rental income | Nil | Nil |
| Direct operating expenses from property that did not generate rental income | Nil | Nil |

(₹ in crore)

| | As at 31.03.2020 | As at 31.03.2019 |
|---|---|---|
| **2.4.2 Fair Value of investment property** | 53.58 | 53.58 |

2.4.3 Investment property comprise of freehold land which was bought for normal business requirements of the Company. However, due to change in business plans, the Company is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

**2.4.4 Valuation process**

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level-3 of fair valuation hierarchy.

## NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Computer Software | 10.96 | 5.03 | 0.17 | (0.23) | 15.59 | 10.24 | 2.22 | (0.39) | 12.07 | 3.52 | 0.72 |
| **TOTAL** | **10.96** | **5.03** | **0.17** | **(0.23)** | **15.59** | **10.24** | **2.22** | **(0.39)** | **12.07** | **3.52** | **0.72** |
| Previous Year | 943.52 | 0.66 | 0.03 | | 10.96 | 36.86 | 0.95 | (0.03) | 10.24 | 0.72 | |

**Note: -**

2.5.1 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

### Additional Disclosure of Intangible Assets

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Computer Software | 48.59 | 5.03 | 0.47 | (0.28) | 52.87 | 47.87 | 2.22 | (0.74) | 49.35 | 3.52 | 0.72 |
| **TOTAL** | **48. 59** | **5.03** | **0.47** | **(0.28)** | **52.87** | **47.87** | **2.22** | **(0.74)** | **49.35** | **3.52** | **0.72** |
| Previous Year | 1,010.24 | 0.66 | 0.17 | | 48.59 | 103.58 | 0.95 | (0.17) | 47.87 | 0.72 | |

## NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | | AMORTISATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassifi-cation due to IND AS 116 | Addition | Deduction | Adjust-ment | As at 31.03.2020 | As at 01.04.2019 | Reclassifi-cation due to IND AS 116 | For the year | Adjust-ment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Right to Use **(Refer Note 2.5.1)** | 933.19 | (933.19) | - | - | - | - | 27.54 | (27.54) | - | - | - | - | 905.65 |
| Computer Software | 10.33 | - | 0.66 | 0.03 | - | 10.96 | 9.32 | - | 0.95 | (0.03) | 10.24 | 0.72 | 1.01 |
| **TOTAL** | **943.52** | **(933.19)** | **0.66** | **0.03** | **-** | **10.96** | **36.86** | **(27.54)** | **0.95** | **(0.03)** | **10.24** | **0.72** | **906.66** |
| Previous Year | 948.11 | | 0.85 | - | (5.44) | 943.52 | 24.73 | | 11.24 | 0.89 | 36.86 | 906.66 | 923.38 |

**Note :**

2.5.1 Land- Right of Use amounting to ₹ 933.19 Crore have been reclassified and presented as Right of Use assets on the Balance Sheet due to Ind AS-116. Refer Note 34(16) for further disclosure under Ind AS 116.

2.5.2 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | | AMORTISATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassifi-cation due to IND AS 116 | Addition | Deduction | Adjust-ment | As at 31.03.2020 | As at 01.04.2019 | Reclassifi-cation due to IND AS 116 | For the year | Adjust-ment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Right to Use | 962.14 | (962.14) | - | - | - | - | 56.49 | (56.49) | - | - | - | - | 905.65 |
| Computer Software | 48.10 | - | 0.66 | 0.17 | - | 48.59 | 47.09 | - | 0.95 | (0.17) | 47.87 | 0.72 | 1.01 |
| **TOTAL** | **1,010.24** | **(962.14)** | **0.66** | **0.17** | **-** | **48.59** | **103.58** | **(56.49)** | **0.95** | **(0.17)** | **47.87** | **0.72** | **906.66** |
| Previous Year | 1,016.12 | | 0.85 | 0.33 | (6.40) | 1,010.24 | 92.74 | | 11.24 | (0.40) | 103.58 | 906.66 | |

## NOTE NO. 3.1 NON CURRENT INVESTMENTS

(₹ in crore)

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) |
| **A. Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)** | | | | |
| **Bodies Corporate (Fully Paid Up)** | | | | |
| Indian Overseas Bank (Face Value of ₹ 10/- each) | - | - | 360800 | 0.25 |
| PTC India Limited (Face Value of ₹ 10/- each) | 12000000 | 93.30 | 12000000 | 46.32 |
| **Total (A)** | | **93.30** | | **46.57** |
| **B. Unquoted Equity Instruments - At Cost** | | | | |
| **(i) In Subsidiaries (Fully Paid Up)** | | | | |
| - NHDC Limited (Face Value of ₹ 1000/- each) | 10024200 | 1,002.42 | 10024200 | 1,002.42 |
| - Loktak Downstream Hydroelectric Corporation Limited **(Refer Note 34(8))** (Face Value of ₹ 10/- each) | 98902309 | 98.90 | 90292309 | 90.29 |
| - Bundelkhand Saur Urja Limited **(Refer Note 34(8) and 34(17))** (Face Value of ₹ 10/- each) | 16263500 | 16.26 | 4999999 | 5.00 |
| - Lanco Teesta Hydro Power Limited. **(Refer Note 34(8) and 34(17))** (Face Value of ₹ 10/- each) | 970500000 | 970.50 | 920500000 | 920.50 |
| **(ii) Joint Ventures (Fully Paid Up)** | | | | |
| - Chenab Valley Power Projects Private Limited **(Refer Note 34(8) and 34(17))** (Face Value of ₹ 10/- each) | 1287850000 | 1,287.85 | 888000000 | 888.00 |
| - National High Power Test Laboratory (P) Limited (Face Value of ₹ 10/- each) | 30400000 | 30.40 | 30400000 | 30.40 |
| **Total (B)** | | **3,406.33** | | **2,936.61** |
| **C Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)** | | | | |
| **(a) Government Securities (Refer Note 3.1.2 and 3.1.4)** | | | | |
| 8.35% SBI Right Issue GOI Special Bonds 27 March 2024 (Per Unit Value of ₹ 10000/- each) | 150000 | 162.28 | 150000 | 162.76 |
| 8.20% Oil Marketing Companies GOI Special Bonds 15 September 2024 (Per Unit Value of ₹ 10000/- each) | 12380 | 13.37 | 12380 | 13.36 |
| 8.28% GOI 21 September 2027 (Per Unit Value of ₹ 10000/- each) | 57000 | 63.04 | 57000 | 62.52 |
| 8.26% GOI 02 August 2027 (Per Unit Value of ₹ 10000/- each) | 17940 | 19.78 | 17940 | 19.67 |
| 8.28% GOI 15 February 2032 (Per Unit Value of ₹ 10000/- each) | 35000 | 39.26 | 35000 | 39.38 |
| 8.32% GOI 02 August 2032 (Per Unit Value of ₹ 10000/- each) | 34000 | 38.24 | 34000 | 38.24 |
| **Sub-total (a)** | | **335.97** | | **335.93** |

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) |
| **(b) Bonds of Public Sector Undertaking/Public Financial Institution and Body Corporates** | | | | |
| 7.41% IIFCL Tax Free Bonds 15.11.2032 (Per Unit Value of ₹ 10,00,000/- each) | 120 | 13.79 | 120 | 13.79 |
| 8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each) | 100000 | 12.50 | 100000 | 11.94 |
| 8.48% NHAI TAX FREE 22.11.2028 (Per Unit Value of ₹ 10,00,000/- each) | 473 | 59.79 | 473 | 55.90 |
| **Sub-total (b)** | | **86.08** | | **81.63** |
| **Total (C) (a+b)** | | **422.05** | | **417.56** |
| **Total (A+B+C)** | | **3,921.68** | | **3,400.74** |

| | | |
|---|---|---|
| 3.1.1 (i) Aggregate amount and market value of quoted investments | 515.35 | 464.13 |
| (ii) Aggregate amount of unquoted investments | 3406.33 | 2936.61 |

3.1.2 Investment in Government Securities at cost of ₹ 165.50 Crore (Previous Year ₹ 165.50 Crore) is earmarked as security against ₹ 165.42 Crore (Previous Year ₹ 165.42 Crore) being 15 percent of total redemption value of Bonds maturing during the Financial Year 2021-22.

3.1.3 Particulars of Investments as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.1 above.

3.1.4 Quoted Investments in respect of debt instruments for which quotations are not available, market value has been considered based on the value published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

## NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - LOANS

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | **At Amortised Cost** | | |
| **A** | **Deposits** | | |
| | - Considered good- Unsecured | 23.00 | 22.45 |
| | **Sub-total** | **23.00** | **22.45** |
| **B** | **Loan to Related Party - Considered good- Unsecured** | | |
| | - National High Power Test Laboratory (P) Limited **(Refer Note 34(8) and 3.2.4)** | 18.40 | - |
| | **Sub-total** | **18.40** | **-** |
| **C** | **Loans to Employees (Refer Note 3.2.1)** | | |
| | - Considered good- Secured | 108.55 | 97.16 |
| | - Considered good- Unsecured | 56.70 | 3.24 |
| | **Sub-total** | **165.25** | **100.40** |
| **D** | **Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.2.2 and 3.2.4)** | | |
| | - Considered good - Unsecured | 736.62 | 675.80 |
| | **Sub-total** | **736.62** | **675.80** |
| | **TOTAL** | **943.27** | **798.65** |

| | | | |
|---|---|---|---|
| 3.2.1 | Due from directors or other officers of the company **(Refer Note 34(8))** | 0.06 | Nil |
| 3.2.2 | Loan to Government of Arunachal Pradesh includes : | | |
| | - Principal | 225.00 | 225.00 |
| | - Interest | 511.62 | 450.80 |

3.2.3 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by the changes in the credit risk of the counterparties.

3.2.4 Represents loan granted for business purpose.

3.2.5 Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

## NOTE NO. 3.3 NON-CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | Bank Deposits with more than 12 Months Maturity | 0.35 | 0.35 |
| B | Lease Rent receivable **(Refer Note 34(16)(B))** | 2,563.17 | 1,384.63 |
| C | Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.3.1 and also Refer 11(I))** | 2,017.20 | 2,017.20 |
| D | Interest accrued on: | | |
| | - Bank Deposits with more than 12 Months Maturity | 0.05 | 0.02 |
| E | Derivative Mark to Market Asset | 18.21 | 33.71 |
| F | Share Application Money Pending Allotment **(Refer Note 3.3.3)** | 318.29 | - |
| | **TOTAL** | **4,917.27** | **3,435.91** |

3.3.1 Refer Note 16.2.1 in respect of amount payable towards Bonds fully serviced by Government of India.

3.3.2 Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

3.3.3 Share Application Money Pending Allotment includes Contribution towards subscription of Share Capital in following subsidiaries/ joint venture Company:-

(₹ in crore)

| Subsidiary Company | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| a) Bundelkhand Saur Urja Limited (Date of Share allotment 18th April 2021) | 28.14 | - |
| b) Lanco Teesta Hydro Power Limited (Date of Share allotment 21st April 2021) | 25.00 | - |
| c) Jal Power Corporation Limited (Date of Share allotment 6th May 2021) | 165.00 | - |
| **Joint Venture Company** | | |
| a) Chenab Valley Power Projects Private Limited (Date of Share allotment 5th April 2021) | 100.15 | - |
| **TOTAL** | **318.29** | **-** |

## NOTE NO. 4 NON CURRENT TAX ASSETS (NET)

(₹ in crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Advance Income Tax including Tax Deducted at Source | - | 853.04 |
| **Less:** Provision for Current Tax | - | 752.51 |
| **Non Current Tax (Net)** | - | 100.53 |
| Non Current Tax **(Refer Note No-23)** | - | 38.37 |
| **TOTAL** | **-** | **138.90** |

## NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in crore)

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A. | **CAPITAL ADVANCES** | | |
| | - Considered good- Secured | 56.70 | 45.06 |
| | - Considered good- Unsecured | | |
| | – Against bank guarantee | 154.00 | 164.73 |
| | – Others | 175.79 | 198.23 |
| | **Less :** Expenditure booked pending utilisation certificate | 19.18 | 30.28 |
| | - Considered doubtful - Unsecured | 6.07 | 10.20 |
| | **Less : Allowances for doubtful advances (Refer Note 5.1)** | 6.07 | 10.20 |
| | **Sub-total** | **367.31** | **377.74** |
| B. | **ADVANCES OTHER THAN CAPITAL ADVANCES** | | |
| i) | **DEPOSITS** | | |
| | - Considered good- Unsecured | 49.35 | 12.33 |
| | - Considered doubtful - Unsecured | - | 0.04 |
| | **Less : Allowances for Doubtful Deposits (Refer Note 5.2)** | - | 0.04 |
| | **Sub-total** | **49.35** | **12.33** |
| ii) | **Other advances** | | |
| | - Considered good- Unsecured | 0.24 | 0.49 |
| | **Sub-total** | **0.24** | **0.49** |
| C. | **Interest accrued** | | |
| | Others | | |
| | - Considered Good | 2.52 | 47.97 |
| | **Sub-total** | **2.52** | **47.97** |
| D. | **Others** | | |
| i) | **Advance against arbitration awards towards capital works (Unsecured)** | | |
| | Released to Contractors - Against Bank Guarantee | 1,140.45 | 697.09 |
| | Released to Contractors - Others | 34.61 | 34.61 |
| | Deposited with Court | 1,383.31 | 1,222.90 |
| | **Sub-total** | **2,558.37** | **1,954.60** |
| ii) | **Deferred Foreign Currency Fluctuation Assets/ Expenditure** | | |
| | Deferred Foreign Currency Fluctuation Assets | 356.93 | 468.37 |
| | Deferred Expenditure on Foreign Currency Fluctuation | 173.83 | 131.53 |
| | **Sub-total** | **530.76** | **599.90** |
| iii) | **Deferred Cost on Employees Advances** | **52.16** | **42.38** |
| | **TOTAL** | **3,560.71** | **3,035.41** |
| 5.1 | **Allowances for doubtful Advances** | | |
| | Opening Balance | 10.20 | 4.49 |
| | Adjustment | - | 5.82 |
| | Used during the year | 4.13 | - |
| | Reversed during the year | - | 0.11 |
| | **Closing balance** | **6.07** | **10.20** |
| 5.2 | **Allowances for doubtful Deposits** | | |
| | Opening Balance | 0.04 | 0.04 |
| | Reversed during the year | 0.04 | - |
| | **Closing balance** | **-** | **0.04** |
| 5.3 | Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances. | | |
| 5.4 | Advances due from Directors or other officers at the end of the year | Nil | Nil |
| 5.5 | Advances due by Firms or Private Companies in which any director of the company is a director or member. | Nil | Nil |

## NOTE NO. 6 INVENTORIES

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | **(Valued at lower of Cost or Net Realisable Value)** | | |
| | Stores and spares | 128.38 | 121.38 |
| | Stores in transit/ pending inspection | 0.63 | 0.81 |
| | Loose tools | 2.03 | 2.51 |
| | Scrap inventory | 1.88 | 1.29 |
| | **Less:** Allowances for Obsolescence and Diminution in Value **(Refer Note 6.1)** | 8.50 | 7.75 |
| | **TOTAL** | **124.42** | **118.24** |
| **6.1** | **Allowances for Obsolescence and Diminution in Value** | | |
| | Opening Balance | 7.75 | 8.10 |
| | Addition during the year **(Refer Note 6.1.1)** | 0.83 | 0.23 |
| | Used during the year | - | 0.19 |
| | Reversed during the year **(Refer Note 6.1.2)** | 0.08 | 0.39 |
| | **Closing balance** | **8.50** | **7.75** |
| 6.1.1 | During the year, inventories written down to net realisable value (NRV) and recognised as an expense in the Statement of Profit and Loss. | 0.83 | 0.23 |
| 6.1.2 | Allowances for Obsolescence and Diminution in value of inventory booked in earlier years and reversed during the period. | 0.08 | 0.39 |

## NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | - Trade Receivables- Considered Good- Unsecured **(Refer Note 7.2, 7.3 and 7.5)** | 3,206.02 | 3,585.12 |
| | - Trade Receivables- Credit Impaired **(Refer Note 7.2 and 7.3)** | 33.76 | 37.71 |
| | **Less: Impairment allowances for Trade Receivables (Refer Note 7.1)** | 33.76 | 37.71 |
| | **TOTAL** | **3,206.02** | **3,585.12** |
| **7.1** | **Impairment allowances for Trade Receivables** | | |
| | Opening Balance | 37.71 | 37.71 |
| | Reversed during the year | 3.95 | - |
| | **Closing balance** | **33.76** | **37.71** |
| **7.2** | Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member. | Nil | Nil |
| **7.3** | Debt due by subsidiaries/ Joint Ventures and others related parties of the company at point 7.2 above. | Nil | Nil |

**7.4** Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

**7.5** Trade Receivables amounting to ₹ 726.03 Crore (Previous Year ₹ 714.31 Crore ) liquidated by way of discounting of bills from various banks have not been derecognised in view of terms of the bill discounting agreement as per which the Company guarantees to compensate the banks for credit losses that may occur in case of default by the respective beneficiaries. Refer Note 20.1.1 with regard to liability recognised in respect of discounted bills.

**7.6** Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

## NOTE NO. 8 FINANCIAL ASSETS - CURRENT - CASH AND CASH EQUIVALENTS

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | **Balances with banks** | | |
| | With scheduled banks | | |
| | - In Current Account | 145.56 | 8.86 |
| B | **Cash on hand (Refer Note 8.1)** | 0.01 | 0.01 |
| | **TOTAL** | **145.57** | **8.87** |
| 8.1 | Includes stamps on hand | 0.01 | 0.01 |

## NOTE NO. 9 FINANCIAL ASSETS - CURRENT - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | Bank Deposits for original maturity more than 3 months and upto 12 months **(Refer Note 9.1)** | 655.81 | 268.82 |
| B | Deposit -Unpaid Dividend | 23.47 | 22.64 |
| C | Deposit -Unpaid Interest | 87.14 | 86.90 |
| D | Other Earmarked Balances with Banks **(Refer Note 9.2)** | 1.97 | 1.89 |
| | **TOTAL** | **768.39** | **380.25** |
| **9.1** | Includes balances held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company. | 155.81 | 268.78 |
| **9.2** | Includes balances which are not freely available for the business of the Company : | | |
| | **(i)** held for works being executed by Company on behalf of other agencies. | 1.41 | 1.36 |
| | **(ii)** NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim. | 0.56 | 0.53 |

## NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | **Deposits** | | |
| | - Considered good - Unsecured | 0.36 | 0.48 |
| | **Sub-total** | **0.36** | **0.48** |
| B | **Loan (including interest thereon) to Related Party - Considered good - Unsecured** | | |
| | - National High Power Test Laboratory (P) Limited **(Refer Note 34(8) and 10.6)** | 0.42 | 6.27 |
| | **Sub-total** | **0.42** | **6.27** |
| C | **Employees Loan (including accrued interest) (Refer Note 10.2)** | | |
| | - Loans Receivables- Considered good- Secured | 14.30 | 13.07 |
| | - Loans Receivables- Considered good- Unsecured | 33.36 | 26.21 |
| | - Loans Receivables which have significant increase in Credit Risk | 0.01 | 0.01 |
| | **Less :** Impairment allowances for loans which have significant increase in Credit Risk **(Refer Note 10.1)** | 0.01 | 0.01 |
| | **Sub-total** | **47.66** | **39.28** |
| | **TOTAL** | **48.44** | **46.03** |

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **10.1 Impairment Allowances for loan which have significant increase in Credit Risk** | | |
| Opening Balance | 0.01 | 0.01 |
| **Closing balance** | **0.01** | **0.01** |
| **10.2** Due from directors or other officers of the company. **(Refer Note 34(8))** | 0.22 | 0.05 |
| **10.3** Advance due by firms or private companies in which any Director of the Company is a Director or member. | Nil | Nil |

**10.4** Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 10 above.

**10.5** Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

**10.6** Represents loan granted for business purpose.

## NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | Amount recoverable | 915.03 | 727.07 |
| | Less: Allowances for Doubtful Recoverables **(Refer Note 11.1)** | 275.15 | 285.72 |
| | **Sub-total** | **639.88** | **441.35** |
| B | Receivable on account of unbilled revenue **(Refer Note 11.2)** | 1,358.67 | 2,146.83 |
| C | Receivable from Subsidiaries / Joint Ventures **(Refer Note 11.3 and 34(8))** | 47.82 | 49.25 |
| D | Receivable on account of Late Payment Surcharge | 89.77 | 233.22 |
| E | Lease Rent receivable (Finance Lease) **(Refer Note 34(16)(B ))** | 101.29 | 51.60 |
| F | Interest recoverable from beneficiary | 141.42 | 3.52 |
| G | Interest Income accrued on Bank Deposits **(Refer Note 11.4)** | 0.25 | 0.19 |
| H | Interest Accrued on Investment (Bonds) | 2.53 | 2.52 |
| I | Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.3(C ))** | | |
| | - Interest accrued | 4.49 | 4.48 |
| | **TOTAL** | **2,386.12** | **2,932.96** |
| **11.1** | **Allowances for Doubtful Recoverables** | | |
| | Opening Balance | 285.72 | 203.37 |
| | Addition during the year | 8.50 | 85.69 |
| | Used during the year | 17.56 | - |
| | Reversed during the year | 1.51 | 3.34 |
| | **Closing balance** | **275.15** | **285.72** |
| **11.2** | **Represents receivable on account of :** | | |
| | Grossing up of Return on Equity | (134.47) | (40.78) |
| | Water cess | 64.89 | 647.12 |
| | Unbilled sale for the month of March | 481.59 | 451.16 |
| | Revision in NAPAF for 2009-14-Sewa-II Power Station | 49.52 | - |
| | Annual Fixed Charges pending revision/ approval-TLDP-IV Power Station | - | 128.65 |
| | Saving due to refinancing & Bond Issue Expenses | (23.33) | (2.66) |
| | Tax adjustment including Deferred Tax Materialized | 55.81 | 133.05 |
| | Energy Shortfall | 63.85 | 149.52 |
| | Additional Impact of Goods and Services Tax | 159.90 | 112.59 |
| | Foreign Exchange Rate Variation | 51.92 | 43.68 |
| | Operation and Maintenance and Security Expenses-Incresae as per new Tariff Regulation 2019-24 | 635.74 | 243.17 |

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Depreciation on account of change in project life | (312.50) | (47.91) |
| Wage Revision | 419.48 | 204.85 |
| Unbilled Debtor- Power Trading Business | - | 58.03 |
| Revision Of Annual Fixed Charges -Sewa-II, Uri-II, Chamera-III and TLDP-III Power Station | - | 92.33 |
| Impact of Truing up 2014-19 and Petition filed for 2019-24. | (13.19) | 83.89 |
| Rate Revision -TLDP-III Power Station | (157.12) | (123.18) |
| Others | 16.58 | 13.32 |
| **TOTAL** | **1,358.67** | **2,146.83** |

**11.3** Receivable from Subsidiaries / Joint ventures includes claim of the company towards capital expenditure incurred on Kiru & Kawar HE Projects which have been transferred to M/s Chenab Valley Power Projects Private Limited (a joint venture company of NHPC Limited, Jammu and Kashmir State Power Development Corporation and PTC India Limited).

**11.4** Includes interest accrued of ₹ 0.16 crore (previous year ₹ 0.15 crore) on balances held for works being executed by company on behalf of other agencies and are not freely available for the business of the company.

**11.5** Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

## NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | **Current Tax Assets** | | |
| A | Advance Income Tax including Tax Deducted at Source | 2,784.04 | 1,373.29 |
| B | Less: Provision for Current Tax | 2,620.11 | 1,286.34 |
| | **Net Current Tax Assets (A-B)** | **163.93** | **86.95** |
| | Income Tax Refundable | 1.80 | 40.19 |
| | **Total** | **165.73** | **127.14** |

## NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A.** | **Advances other than Capital Advances** | | |
| **a)** | **Deposits** | | |
| | - Considered good- Unsecured | 25.67 | 18.88 |
| | **Less :** Expenditure booked against demand raised by Government Departements | - | 0.10 |
| | - Considered doubtful- Unsecured | 74.79 | 0.01 |
| | **Less :** Allowances for Doubtful Deposits **(Refer Note 13.1)** | 74.79 | 0.01 |
| | **Sub-total** | **25.67** | **18.78** |
| **b)** | **Advance to contractors and suppliers (Refer Note 13.8)** | | |
| | - Considered good- Secured | - | 0.76 |
| | - Considered good- Unsecured | | |
| | – Against bank guarantee | 1.02 | 13.40 |
| | – Others | 28.74 | 52.53 |
| | **Less :** Expenditure booked pending utilisation certificate | 12.41 | 12.26 |
| | - Considered doubtful- Unsecured | 45.52 | 45.52 |
| | **Less :** Allowances for doubtful advances **(Refer Note 13.2)** | 45.52 | 45.52 |
| | **Sub-total** | **17.35** | **54.43** |
| **c)** | **Other advances - Employees** | | |
| | - Considered good- Unsecured **(Refer Note 13.7)** | 0.67 | 2.88 |
| | **Sub-total** | **0.67** | **2.88** |

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **d)** | **Interest accrued** | | |
| | Others | | |
| | - Considered Good | 1.32 | 67.45 |
| | - Considered Doubtful | - | - |
| | Less: Allowances for Doubtful Interest **(Refer Note 13.3)** | - | - |
| | **Sub-total** | **1.32** | **67.45** |
| **B.** | **Others** | | |
| a) | Expenditure awaiting adjustment | 37.06 | 37.06 |
| | Less: Allowances for project expenses awaiting write off sanction **(Refer Note 13.4)** | 37.06 | 37.06 |
| | **Sub-total** | **-** | **-** |
| b) | Losses awaiting write off sanction/pending investigation | 8.47 | 11.45 |
| | Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.5)** | 8.47 | 11.45 |
| | **Sub-total** | **-** | **-** |
| c) | **Prepaid Expenditure** | 177.45 | 131.06 |
| d) | **Deferred Cost on Employees Advances** | 9.29 | 4.75 |
| e) | **Deferred Foreign Currency Fluctuation** | | |
| | Deferred Foreign Currency Fluctuation Assets | 50.03 | 38.32 |
| | Deferred Expenditure on Foreign Currency Fluctuation | 4.56 | 1.71 |
| f) | **Surplus / Obsolete Assets (Refer Note 13.9)** | 10.82 | 5.47 |
| | **Sub-total** | **252.15** | **181.31** |
| g) | **Goods and Services Tax Input Receivable** | 29.09 | 16.53 |
| | Less: Allowances for Goods and Services Tax Input Receivable **(Refer Note 13.6)** | 13.54 | - |
| | **Sub-total** | **15.55** | **16.53** |
| h) | **Others (Mainly on account of Material Issued to Contractors)** | 59.37 | 34.53 |
| | **TOTAL** | **372.08** | **375.91** |
| **13.1** | **Allowances for Doubtful Deposits** | | |
| | Opening Balance | 0.01 | 0.01 |
| | Addition during the year | 74.78 | - |
| | **Closing balance** | **74.79** | **0.01** |
| **13.2** | **Allowances for doubtful advances (Contractors and Suppliers)** | | |
| | Opening Balance | 45.52 | 45.52 |
| | **Closing balance** | **45.52** | **45.52** |
| **13.3** | **Allowances for Doubtful Accrued Interest** | | |
| | Opening Balance | - | 108.90 |
| | Reversed during the year | - | 108.90 |
| | **Closing balance** | **-** | **-** |
| **13.4** | **Allowances for project expenses awaiting write off sanction** | | |
| | Opening Balance | 37.06 | 37.06 |
| | **Closing balance** | **37.06** | **37.06** |
| **13.5** | **Allowances for losses pending investigation/ awaiting write off / sanction** | | |
| | Opening Balance | 11.45 | 39.20 |
| | Addition during the year | 0.21 | 0.26 |
| | Adjustment | - | 1.24 |
| | Used during the year | 0.18 | 29.08 |
| | Reversed during the year | 3.01 | 0.17 |
| | **Closing balance** | **8.47** | **11.45** |

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **13.6 Allowances for Goods and Services Tax Input Receivable** | | |
| Opening Balance | - | - |
| Addition during the year | 13.54 | - |
| **Closing balance** | **13.54** | **-** |
| **13.7** Loans and Advances due from Directors or other officers at the end of the year. | Nil | Nil |
| **13.8** Advance due by Firms or Private Companies in which any Director of the Company is a Director or member. | Nil | Nil |

**13.9** Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.

**13.10** Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

## NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A** | **Regulatory Deferral Account Balances in respect of Subansiri Lower Project** | | |
| | Opening Balance | 3,470.59 | 3,267.34 |
| | Addition during the year **(Refer Note 31)** | - | 203.25 |
| | **Closing balance** | **3,470.59** | **3,470.59** |
| **B** | **Wage Revision as per 3rd Pay Revision Committee** | | |
| | Opening Balance | 631.90 | 631.90 |
| | **Closing balance** | **631.90** | **631.90** |
| **C** | **Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff** | | |
| | Opening Balance | 367.60 | 171.98 |
| | Addition during the year **(Refer Note 31)** | 195.51 | 195.62 |
| | **Closing balance** | **563.11** | **367.60** |
| **D** | **Exchange Differences on Monetary Items** | | |
| | Opening Balance | 0.02 | (0.97) |
| | Addition during the year **(Refer Note 31)** | 1.70 | 0.99 |
| | **Closing balance** | **1.72** | **0.02** |
| **E** | **Adjustment against Deferred Tax Recoverable for tariff period upto 2009** | | |
| | Opening Balance | 1,529.02 | 1,654.73 |
| | Used during the year **(Refer Note 31)** | 75.46 | 125.71 |
| | **Closing balance** | **1,453.56** | **1,529.02** |
| **F** | **Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards** | | |
| | Opening Balance | 837.09 | 767.63 |
| | Addition during the year **(Refer Note 31)** | 6.28 | 69.46 |
| | **Closing balance** | **843.37** | **837.09** |
| **G** | **Regulatory Deferral Account Balances on account of Borrowings and Other Costs incurred during Covid-19 Lock Down Period** | | |
| | Addition during the year **(Refer Note 31)** | 99.06 | - |
| | **Closing balance** | **99.06** | **-** |
| | **Closing Balance (A+B+C+D+E+F+G)** | **7,063.31** | **6,836.22** |
| | Less: Deferred Tax on Regulatory Deferral Account Balances | (306.68) | (330.86) |
| | Add: Deferred Tax recoverable from Beneficiaries | (306.68) | (330.86) |
| | **Regulatory Deferral Account Balances net of Deferred Tax.** | **7,063.31** | **6,836.22** |

**14.1** Refer Note-34 (18) and 34 (22) of Standalone Financial Statements.

## NOTE NO. 15.1 EQUITY SHARE CAPITAL

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos | Amount (₹ in Crore) | Nos | Amount (₹ in Crore) |
| Authorized Share Capital (Par value per share Rs. 10) | 15000000000 | 15,000.00 | 15000000000 | 15,000.00 |
| Equity shares issued, subscribed and fully paid (Par value per share Rs. 10) | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |

**15.1.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:**

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos | Amount (₹ in Crore) | Nos | Amount (₹ in Crore) |
| **Opening Balance** | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |
| **Closing Balance** | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |

**15.1.2** The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.

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

**15.1.3** Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held :-

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Number | In (%) | Number | In (%) |
| - President of India | 7126772676 | 70.95% | 7126772676 | 70.95% |
| - Life Insurance Corporation of India | 739309259 | 7.36% | 736631947 | 7.33% |

**15.1.4** 1,02,56,33,691 equity shares of ₹ 10 each were bought back during the period of five years immediately preceeding the date of Balance Sheet.

## NOTE NO. 15.2 OTHER EQUITY

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **(i)** | **Capital Redemption Reserve** | | |
| | As per last Balance Sheet | 2,255.71 | 2,255.71 |
| | **As at Balance Sheet date** | **2,255.71** | **2,255.71** |
| **(ii)** | **Bond Redemption Reserve** | | |
| | As per last Balance Sheet | 1,948.38 | 2,193.35 |
| | Less: Transfer to Surplus/Retained Earnings | 306.43 | 244.97 |
| | **As at Balance Sheet date** | **1,641.95** | **1,948.38** |
| **(iii)** | **General Reserve** | | |
| | As per last Balance Sheet | 9,724.72 | 9,724.72 |
| | **As at Balance Sheet date** | **9,724.72** | **9,724.72** |

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **(iv)** | **Surplus/ Retained Earnings** | | |
| | As per last Balance Sheet | 5,933.58 | 4,889.54 |
| | Add: Profit during the year | 3,233.37 | 3,007.17 |
| | Add: Other Comprehensive Income during the year | (43.16) | 29.37 |
| | Add: Transfer from Bond Redemption Reserve | 306.43 | 244.97 |
| | Less: Dividend (Final and Interim) | 1,577.07 | 1,938.69 |
| | Less: Tax on Dividend | - | 298.78 |
| | **As at Balance Sheet date** | **7,853.15** | **5,933.58** |
| **(v)** | **Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments** | | |
| | As per last Balance Sheet | 42.18 | 30.08 |
| | Add: Change in Fair value of FVTOCI (Net of Tax) | 3.23 | 12.10 |
| | **As at Balance Sheet date** | **45.41** | **42.18** |
| **(vi)** | **Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments** | | |
| | As per last Balance Sheet | 34.21 | 76.30 |
| | Add: Change in Fair value of FVTOCI (Net of Tax) | 47.13 | (42.09) |
| | **As at Balance Sheet date** | **81.34** | **34.21** |
| | **TOTAL** | **21,602.28** | **19,938.78** |

**15.2.1 Nature and Purpose of Reserves**

(i) **Capital Redemption Reserve:** The company is required to create a capital redemption reserve from distributable profit if the buy-back of shares is out of free reserves. The nominal value of the shares so bought back is required to be transferred to capital redemption reserve.

(ii) **Bond Redemption Reserve:** As per the Companies (Share Capital and Debentures) Rules, 2014, the Company was required to create a Bond Redemption Reserve out of available profits for the purpose of redemption of bonds. The Companies (Share Capital and Debentures) Amendment Rules, 2019 exempts the Company from creation of Bond Redemption Reserve. The Amendment Rules, 2019 further stipulate that the amount credited to Debenture Redemption Reserve shall not be utilized by the company except for the purpose of redemption of debentures. Accordingly, though the Bond Redemption Reserve created till 31.03.2019 has been carried forward and further utilised for bonds redeemed during the current year, no further accrual to the reserve has been made.

(iii) **General Reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.

(iv) **Surplus/ Retained Earnings:** Surplus/ Retained earnings generally represent the undistributed profit/ amount of accumulated earnings of the company and includes remeasurement gain/ losses on defined benefit obligations.

(v) **Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments:** The Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant debt securities are disposed.

(vi) **Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments:** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

## NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | **At Amortised Cost** | | |
| **A** | **- Secured Loans** | | |
| | **-Bonds** | 15,679.99 | 14,532.79 |
| | **-Term Loan** | | |
| | - from Banks | - | 500.00 |
| | - from Other (Financial Institutions) | 316.00 | 474.00 |
| **B** | **- Unsecured Loans** | | |
| | **-Term Loan** | | |
| | - from Government of India (Subordinate Debts) | 3,654.28 | 3,597.58 |
| | - from Other (in Foreign Currency) | 1,580.72 | 1,774.29 |
| | **Sub Total (A+B)** | **21,230.99** | **20,878.66** |
| **C** | **Long term maturities of lease obligations** | 10.23 | 11.08 |
| | **TOTAL** | **21,241.22** | **20,889.74** |

**16.1.1** Debt Covenants : Refer Note 33(3) with regard to capital Management.

**16.1.2** Particulars of Redemption, Repayments and Securities.

## NOTE NO. 16.1.2

(₹ in crore)

| | 16.1.2.A Particulars of redemptions, repayments and securities | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **(A)** | **BONDS (Non-convertible and Non-cumulative)-Secured** | | |
| **i)** | **TAX FREE BONDS- 3A SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2033) | 336.07 | 336.07 |
| **ii)** | **TAX FREE BONDS- 3B SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2033) | 253.62 | 253.62 |
| **iii)** | **BONDS- U SERIES (Refer Note 16.1.2.B(2&7))**<br>(8.24% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each).<br>(Date of redemption 27.06.2031) | 540.00 | 540.00 |
| **iv)** | **BONDS- U1 SERIES (Refer Note 16.1.2.B(2&7))**<br>(8.17% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each).<br>(Date of redemption 27.06.2031) | 360.00 | 360.00 |
| **v)** | **TAX FREE BONDS- 2A SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2028) | 213.12 | 213.12 |
| **vi)** | **TAX FREE BONDS- 2B SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2028) | 85.61 | 85.61 |
| **vii)** | **BONDS-AC SERIES (Refer Note 16.1.2.B(15))**<br>(6.86% p.a. 15 year Secured Redeemable Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crores redeemable in 10 equal annual installments commencing from 12.02.2027). | 1,500.00 | - |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| viii) | **BONDS-AB SERIES (Refer Note 16.1.2.B (14))**<br>(6.80% p.a. 10 year Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 750 Crores redeemable in 5 equal annual installments commencing from 24.04.2026). | 750.00 | - |
| ix) | **BONDS-AA-1 SERIES (Refer Note 16.1.2.B (13))**<br>(6.89% p.a. 10 year Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual installments commencing from 11.03.2026). | 500.00 | 500.00 |
| x) | **BONDS-AA SERIES (Refer Note 16.1.2.B (13))**<br>(7.13% p.a. 10 year Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual installments commencing from 11.02.2026). | 1,500.00 | 1,500.00 |
| xi) | **BONDS-Y-1 SERIES (Refer Note 16.1.2.B (12))**<br>(7.38% p.a. 10 year Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual installments commencing from 03.01.2026). | 500.00 | 500.00 |
| xii) | **BONDS-Y SERIES (Refer Note 16.1.2.B (12)**<br>(7.50% p.a. 10 years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separetely Transferable Redeemable Principal Part comprising 1/5th of face value of Bond.)<br>(Bond issue amount of ₹ 1500 crores redeemable in 5 equal annual installments commencing from 07.10.2025). | 1,500.00 | 1,500.00 |
| xiii) | **TAX FREE BONDS- 1A SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2023) | 50.81 | 50.81 |
| xiv) | **TAX FREE BONDS- 1B SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2023) | 60.77 | 60.77 |
| xv) | **BONDS-W2 SERIES (Refer Note 16.1.2.B(10))**<br>(7.35% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(5 Yearly redemptions of ₹ 150.00 crore each w.e.f. 15.09.2023 to 15.09.2027) | 750.00 | 750.00 |
| xvi) | **BONDS-V2 SERIES (Refer Note 16.1.2.B(3))**<br>(7.52% p.a. 10 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(5 Yearly redemptions of ₹ 295.00 crore each w.e.f. 06.06.2023 to 06.06.2027) | 1,475.00 | 1,475.00 |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| xvii) | **BONDS-X SERIES (Refer Note 16.1.2.B(1&3))**<br>(8.65% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each Redeemable in 7 equal yearly installments).<br>(Bond issue amount of ₹ 1500 Crores redeemable in 7 equal annual insallments commencing from 08.02.2023). | 1,500.00 | 1,500.00 |
| xviii) | **BONDS-T SERIES (Refer Note 16.1.2.B(1,2 and 7))**<br>(8.50% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 1474.92 Crores redeemable in 12 equal annual installments commencing from 12.07.2019. As on 31.03.2021, 10 annual installments of ₹ 122.91 Crore each are outstanding). | 1,229.10 | 1,352.01 |
| xix) | **BONDS-R-3 SERIES (Refer Note 16.1.2.B(3))**<br>(8.78% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 892.00 Crores redeemable in 10 equal annual installments commencing from 11.02.2019. (As on 31.03.2021, 7 annual installments of ₹ 89.20 Crores each are outstanding). | 624.40 | 713.60 |
| xx) | **BONDS-S-2 SERIES (Refer Note 16.1.2.B(7))**<br>(8.54% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 660.00 Crores redeemable in 12 equal annual installments commencing from 26.11.2018. As on 31.03.2021, 9 annual installments of ₹ 55.00 Crore each are outstanding). | 495.00 | 550.00 |
| xxi) | **BONDS-W1 SERIES (Refer Note 16.1.2.B(10))**<br>(6.91% p.a. 5 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual installments commencing from 15.09.2018. As on 31.03.2021, 2 annual installments of ₹ 300 Crores each are outstanding). | 600.00 | 900.00 |
| xxii) | **BONDS-V SERIES (Refer Note 16.1.2.B(3))**<br>(6.84% p.a. 5 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 5,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond)<br>(5 Yearly redemptions of ₹ 155.00 Crore each w.e.f. 24.01.2018 to 24.01.2022. As on 31.03.2021, 1 annual installments of ₹ 155 Crores each are outstanding). | 155.00 | 310.00 |
| xxiii) | **BONDS-Q SERIES (Refer Note 16.1.2.B(4&8))**<br>(9.25% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 1266.00 Crores redeemable in 12 equal annual insallments commencing from 12.03.2016. As on 31.03.2021, 6 annual installments of ₹ 105.50 Crores each are outstanding). | 633.00 | 738.50 |
| xxiv) | **BONDS-R-2 SERIES (Refer Note 16.1.2.B(3))**<br>(8.85% p.a. 14 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 382.08 Crores redeemable in 12 equal annual insallments commencing from 11.02.2016. As on 31.03.2021, 6 annual installments of ₹ 31.84 Crores each are outstanding). | 191.04 | 222.88 |

| 16.1.2.A | Particulars of redemptions, repayments and securities | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|---|
| xxv) | **BONDS-P SERIES (Refer Note 16.1.2.B(3,5&6))**<br>(9.00% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments). (Bond issue amount of ₹ 2000 Crores redeemable in 10 equal annual insallments commencing from 01.02.2016. As on 31.03.2021, 4 annual installments of ₹ 200 Crores each are outstanding). | | 800.00 | 1,000.00 |
| xxvi) | **BONDS-S-1 SERIES (Refer Note 16.1.2.B(7))**<br>(8.49% p.a. 10 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual insallments commencing from 26.11.2015. As on 31.03.2021, 4 annual installments of ₹ 36.50 Crores each are outstanding). | | 146.00 | 182.50 |
| xxvii) | **BONDS-R-1 SERIES (Refer Note 16.1.2.B(3))**<br>(8.70% p.a. 13 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 82.20 Crores redeemable in 12 equal annual insallments commencing from 11.02.2015. As on 31.03.2021, 5 annual installments of ₹ 6.85 Crores each are outstanding). | | 34.25 | 41.10 |
| | **Total Bonds** | | **16,782.79** | **15,635.59** |
| | **Less Current Maturities** | | 1,102.80 | 1,102.80 |
| | **Bonds - Net of current maturities** | **(A)** | **15,679.99** | **14,532.79** |
| **(B)** | **TERM LOANS - Secured (Banks)** | | | |
| i) | **ORIENTAL BANK OF COMMERCE (Refer Note 16.1.2.B(2))**<br>(Repayable in 3 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2021). | | - | 10.00 |
| ii) | **STATE BANK OF INDIA (Refer Note 16.1.2.B(11))**<br>Repayable in 28 equal quarterly instalments (27 installment of ₹ 17.858 crore and last 28th instalment of ₹ 17.834 crore upto 31.08.2028 at floating (MCLR with annual reset) interest rate). | | - | 500.00 |
| | **Total Term Loan - Banks (Secured)** | | **-** | **510.00** |
| | **Less Current Maturities** | | - | 10.00 |
| | **Term Loan - Banks Net of current maturities** | **(B)** | **-** | **500.00** |
| **(C)** | **Term Loan-From other (Secured)** | | | |
| i) | **LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(3&5))**<br>(Repayable in half yearly instalments of ₹ 104.16667 Crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 8.33 Crores and 8.00% p.a. on ₹ 200 Crore). | | - | 208.33 |
| ii) | **LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(4&8))**<br>(Repayable in 6 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a. as on 31.03.2021). | | 474.00 | 632.00 |
| | **Total Term Loan - Other Parties (Secured)** | | **474.00** | **840.33** |
| | **Less Current Maturities** | | 158.00 | 366.33 |
| | **Term Loan - Other Net of current maturities** | **(C)** | **316.00** | **474.00** |
| **(D)** | **Term Loan-From Government of India (Unsecured)** | | | |
| | **Loans from Government of India (At fair value)** | | | |
| i) | **Subordinate Debt from Government of India for Nimmo-Bazgo Power Station**<br>(Repayable in 18 equal annual instalments of ₹ 29.09 Crore each in respect of undiscounted amount from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.). | | 429.13 | 424.54 |

| 16.1.2.A | Particulars of redemptions, repayments and securities | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| ii) | **Subordinate Debt from Government of India for Chutak Power Station** (Repayable in 24 equal annual installments of ₹ 23.11 Crore each in respect of undiscounted amount from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.) | 424.01 | 442.14 |
| iii) | **Subordinate Debt from Government of India for Kishanganga Power Station** (Repayable in 10 equal annual instalments of ₹ 377.429 Crore each in respect of undiscounted amount from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after 11 years of commissioning of the project i.e. from 24.05.2029) | 2,824.25 | 2,754.01 |
| | **Total Term Loan -Government (Unsecured)** | **3,677.39** | **3,620.69** |
| | **Less Current Maturities** | 23.11 | 23.11 |
| | **Term Loan - Other Parties Net of current maturities (D)** | **3,654.28** | **3,597.58** |
| (E) | **TERM LOANS - From Others- Foreign Currency (Unsecured)** | | |
| i) | **Japan International Cooperation Agency Tranche-I (Refer Note 16.1.2.B(9))** (Repayable in 10 equal half yearly installments of ₹ 8.14 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2021) | 81.44 | 102.67 |
| ii) | **Japan International Cooperation Agency Tranche-II (Refer Note 16.1.2.B(9))** (Repayable in 14 equal half yearly installments of ₹ 26.72 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2021) | 374.06 | 449.07 |
| iii) | **Japan International Cooperation Agency Tranche-III (Refer Note 16.1.2.B(9))** (Repayable in 26 equal half yearly installments of ₹ 19.74 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2021) | 513.12 | 580.49 |
| iv) | **MUFG Bank Limited, Singapore** (Repayable in one installment bullet on 25.07.2024 at floating rate of 6 month Libor + 0.75 %. The loan is hedged at coupan only swap fixed rate of 0.931% (INR) p.a. & call spread coupan fixed rate of 6.25% (INR) p.a. with JPY strike price of Rs 0.90). | 721.30 | 756.77 |
| | **Total Term Loan - Other Parties - Foreign Currency (Unsecured)** | **1,689.92** | **1,889.00** |
| | **Less Current Maturities** | 109.20 | 114.71 |
| | **Term Loan - Other Parties - Foreign Currency (Unsecured) (E)** | **1,580.72** | **1,774.29** |
| | **Grand Total (A+B+C+D+E)** | **21,230.99** | **20,878.66** |

**16.1.2.B Particulars of security**

1. Secured by pari-passu charge by way of equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamera-I Power Station situated in the state of Himachal Pradesh.
2. Secured by pari-passu charge by way of equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri-I Power Station situated in the state of Jammu & Kashmir.
3. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
4. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
5. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
6. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
7. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
8. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
9. Loans mentioned at sl. nos. E(i),E(ii) and E(iii) above are guaranteed by Government of India.
10. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -II Project situated in the state of Himachal Pradesh and Secured by pari-passu charge by way of hypothecation against the moveable assets (except for Book Debts and Stores) of the Company's Dulhasti Power Station situated in the state of Jammu & Kashmir is under process.

11. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and movable (except for Book Debts and Stores) of the Company's TLDP-III Power Station situated in the state of West Bengal.
12. Security creation by pari-passu charge by mortgage and hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Parbati-II Project situated in the state of Himachal Pradesh and secured by pari-passu charge by way of hypothecation against the movable assets (except for book debts and stores) of the company's Kishanganga Power Station situated in the state of J & K.
13. Security creation by pari-passu charge, by mortgage/hypothecation against the movable and immovable assets (except for book debts and stores) of the Company's Parabati II Project, Parbati III Power Station, Chamera II Power Station situated in the state of Himachal Pradesh and Dhauliganga Power Station situated in the state of Uttrakhand.
14. Security creation by pari-passu charge, by mortgage/hypothecation against the movable and immovable assets (except for book debts and stores) of the Company's Chamera II Power Station situated in the state of Himachal Pradesh.
15. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for book debts and stores) of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh.

## NOTE NO. 16.2 FINANCIAL LIABILTIES - NON CURRENT - OTHERS

(₹ in crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Payable towards Bonds Fully Serviced by Government of India **(Refer Note 16.2.1)** | | |
| - Principal | 2,017.20 | 2,017.20 |
| Retention Money | 37.14 | 42.03 |
| **TOTAL** | **2,054.34** | **2,059.23** |

16.2.1 For meeting funding requirement of Government of India for the Scheme of Power System Development Fund (PSDF) during the financial year 2018-19, the company has raised an aggregate amount of ₹ 2017.20 Crore through private placement of Unsecured Non-cumulative Non-convertible Redeemable, taxable 'Government of India Fully Serviced Bonds-Series-I', with face value of ₹ 10,00,000/- each, in the nature of debentures (Bonds). As per Ministry of Power (MoP) letter dated 12.03.2019 read with letter of Ministry of Finance (MoF) dated 21.01.2019 & 11.03.2019, the repayment of principal and interest of the above bonds shall be made by Government of India by making suitable budget provisions in the demand of Ministry of Power as per estimated liabilities. Accordingly, the amount of such bonds along with interest payable to Bond Holders is appearing as financial liability as above and also the amount recoverable by the company from Government of India has been shown as "Amount recoverable on Account of Bonds fully Serviced by Government of India" under Non-Current Financial Assets-Others under **Note No-3.3(C)**.

Interest paid by the Company to the Bond holders is recognised as a recoverable from Government of India under "Financial Assets".

**Detail of Government of India Fully Serviced Bonds raised during financial year 2018-19 is as under :**

**Government of India Fully Serviced Bond-I Series:**

| | | |
|---|---|---|
| 8.12% semi-annual, 10 year unsecured, Non-Cumulative, redeemable, non-convertible Taxable Bonds of ₹ 10,00,000/- each. (Date of redemption - 22.03.2029) | 2,017.20 | 2,017.20 |

## NOTE NO. 17 PROVISIONS - NON CURRENT

(₹ in crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **A. PROVISION FOR EMPLOYEE BENEFITS** | | |
| **i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)** | | |
| As per last Balance Sheet | 7.17 | 7.26 |
| Amount used during the year | 0.32 | 0.09 |
| **Closing Balance** | **6.85** | **7.17** |
| **B. OTHERS** | | |
| **i) Provision For Committed Capital Expenditure** | | |
| As per last Balance Sheet | 1.43 | 1.37 |
| Additions during the year | 0.01 | - |
| Amount used during the year | 0.21 | - |
| Amount reversed during the year | - | 0.08 |
| Unwinding of discount | 0.14 | 0.14 |
| **Closing Balance** | **1.37** | **1.43** |

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| ii) | **Provision For Livelihood Assistance** | | |
| | As per last Balance Sheet | 18.57 | 17.66 |
| | Additions during the year | 1.03 | 1.35 |
| | Amount used during the year | 0.85 | 0.73 |
| | Amount reversed during the year | 0.08 | 0.14 |
| | Unwinding of discount | 0.42 | 0.43 |
| | **Closing Balance** | **19.09** | **18.57** |
| iii) | **Provision-Others** | | |
| | As per last Balance Sheet | 0.49 | 0.53 |
| | Additions during the year | 0.73 | 0.05 |
| | Amount used during the year | 0.15 | 0.06 |
| | Amount reversed during the year | - | 0.03 |
| | **Closing Balance** | **1.07** | **0.49** |
| | **TOTAL** | **28.38** | **27.66** |

**17.1** Information about Provisions is given in Note 34 (21) of Standalone Financial Statements.

## NOTE NO. 18 DEFERRED TAX LIABILITIES (NET) - NON CURRENT

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | **Deferred Tax Liability** | | |
| a) | Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets. | 4,012.53 | 3,980.45 |
| b) | Financial Assets at FVTOCI | 25.19 | 42.98 |
| c) | Other Items | (0.05) | (6.36) |
| | **Deferred Tax Liability** | **4,037.67** | **4,017.07** |
| | **Less:-Set off Deferred Tax Assets pursuant to set off provisions** | | |
| a) | Provision for employee benefit scheme, doubtful debts, inventory and others | 411.79 | 358.61 |
| b) | Other Items | 36.52 | 17.27 |
| | **Deferred Tax Assets** | 448.31 | 375.88 |
| | **Deferred Tax Liability (Net)** | **3,589.36** | **3,641.19** |

**18.1** Movement in Deferred Tax Liability/ (Assets) is given as Annexure to Note 18.1

**18.2** Pursuant to the provisions of Section 115BAA of the Income Tax Act 1961 announced by Tax Laws (amended) Ordinance 2019 and promulgated as Taxation Laws (amendment) Act 2019 enacted on 11th December 2019 applicable with effect from 1st April 2019, Domestic Companies have options to pay Income Tax at the concessional rates by forgoing certain exemptions/ deductions (the new tax regime) as specified in the said section. The company has Minimum Alternate Tax (MAT) credit of ₹ 2382.61 Crore lying unutilized as on 31st March, 2021 (Previous year ₹ 2196.82 Crore) and is availing tax deductions in respect of its profit from generation of power from certain power stations. In view of this it has been decided to continue with earlier tax structure for Current and Deferred Tax recognition. Necessary decision for exercising the option under section 115BAA will be taken once tax deductions are not available and MAT credit is substantially exhausted.

**18.3** MAT credit entitlement is required to be recognised as Deferred Tax Assets based on convincing evidence of probability of future taxable profit in foreseeable future against which such credit can be utilized. Considering this and in absence of any current development for utilisation of MAT credit entitlement, the unutilized MAT credit of ₹ 2382.61 Crore (Previous year ₹ 2196.82 Crore) on the principal of prudence as being followed in earlier years has been continued not to be recognised in financial statements. Moreover, Deferred Tax accrual or reversal has consequential impact on related Regulatory Deferral Account balances and even otherwise this is not expected to have material impact on the profit of the company.

## ANNEXURE TO NOTE NO. 18.1

**Financial Year 2020-21**

**Movement in Deferred Tax Liability**

(₹ in crore)

| Particulars | Property, Plant and Equipments, Investment Property and Intangible Assets. | Financial Assets at FVTOCI | Other Items | Total |
|---|---|---|---|---|
| **At 1st April 2020** | **3,980.45** | **42.98** | **(6.36)** | **4,017.07** |
| **Charge/(Credit)** | | | | |
| -to Statement of Profit and Loss | 32.08 | - | 6.31 | 38.39 |
| -to Other Comprehensive Income | - | (17.79) | - | (17.79) |
| **At 31st March 2021** | **4,012.53** | **25.19** | **(0.05)** | **4,037.67** |

**Movement in Deferred Tax Assets**

(₹ in crore)

| Particulars | Provision for employee benefit scheme, doubtful debts, inventory and others | Other Items | Total |
|---|---|---|---|
| **At 1st April 2020** | **358.61** | **17.27** | **375.88** |
| **( Charge)/Credit** | | | |
| -to Statement of Profit and Loss | 53.18 | 19.25 | 72.43 |
| -to Other Comprehensive Income | - | - | - |
| **At 31st March 2021** | **411.79** | **36.52** | **448.31** |

**Financial Year 2019-20**

**Movement in Deferred Tax Liability**

(₹ in crore)

| Particulars | Property, Plant and Equipments, Investment Property and Intangible Assets. | Financial Assets at FVTOCI | Other Items | Total |
|---|---|---|---|---|
| **At 1st April 2019** | **3,911.72** | **11.02** | **22.37** | **3,945.11** |
| **Charge/(Credit)** | | | | |
| -to Statement of Profit and Loss | 68.73 | - | (28.73) | 40.00 |
| -to Other Comprehensive Income | - | 31.96 | - | 31.96 |
| **At 31st March 2020** | **3,980.45** | **42.98** | **(6.36)** | **4,017.07** |

**Movement in Deferred Tax Assets**

(₹ in crore)

| Particulars | Provision for employee benefit scheme, doubtful debts, inventory and others | Other Items | Total |
|---|---|---|---|
| **At 1st April 2019** | **318.43** | **16.05** | **334.48** |
| **( Charge)/Credit** | | | |
| -to Statement of Profit and Loss | 40.18 | 1.22 | 41.40 |
| -to Other Comprehensive Income | - | - | - |
| **At 31st March 2020** | **358.61** | **17.27** | **375.88** |

## NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | Income received in advance-Advance Against Depreciation | 836.10 | 884.48 |
| | Deferred Income from Foreign Currency Fluctuation Account | 41.18 | 42.81 |
| | Grants in aid-from Government-Deferred Income **(Refer Note 19.1)** | 1,157.32 | 1,155.36 |
| | **TOTAL** | **2,034.60** | **2,082.65** |
| **19.1** | **GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME** | | |
| | **Opening Balance (Current and Non Current)** | 1,187.61 | 886.63 |
| | Add: Received during the year | 35.17 | 330.93 |
| | Less: Transferred to Statement of Profit and Loss **(Refer Note 24.2)** | 32.26 | 29.95 |
| | **Closing Balance (Current and Non Current) (Refer Note 19.1.1)** | **1,190.52** | **1,187.61** |
| | Grants in Aid-from Government-Deferred Income (Current)- **(Refer Note No-21)** | 33.20 | 32.25 |
| | Grants in Aid-from Government-Deferred Income (Non-Current) | 1,157.32 | 1,155.36 |
| **19.1.1** | **Grant includes:-** | | |
| (i) | Fair valuation of Subordinate Debts received from Government of India for Chutak Power Station, Nimmoo Bazgo Power Station and Kishanganga Power Station accounted as Grant In Aid. | 1,167.32 | 1,163.35 |
| (ii) | Funds (Grant in Aid) received from Government of India through Solar Energy Corporation of India (SECI) for setting up 50 MW Solar Power Project in Tamilnadu and Funds (Grant in Aid) received from Government of India for setting up rooftop Solar Power Plant. | 23.20 | 24.26 |

## NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A** | **Other Loans** | | |
| | From Bank-Secured **(Refer Note 20.1.1)** | 726.03 | 714.31 |
| | **TOTAL** | **726.03** | **714.31** |

**20.1.1** Secured loan from Bank amounting to ₹ 726.03 Crore (Previous Year ₹ 714.31 Crore ) is towards amount payable to the banks by the beneficiaries on account of bills discounted with recourse against trade receivables. Refer Note 7.5 on continuing recognition of trade receivables liquidated by way of bill discounting.

## NOTE NO. 20.2 TRADE PAYABLE - CURRENT

(₹ in crore)

| PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Total outstanding dues of micro enterprise and small enterprise(s) **(Refer Note 20.2.1)** | 30.94 | 18.85 |
| Total outstanding dues of Creditors other than micro enterprises and small enterprises | 170.40 | 285.41 |
| **TOTAL** | **201.34** | **304.26** |

**20.2.1** Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Disclosure requirement in respect of Trade Payables of Micro and Small Enterprises under Section 22 of The Micro, Small and Medium Enterprise Development Act, 2006 is given under Note No.34(15).

**20.2.2** Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

## NOTE NO. 20.3 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in crore)

| PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Current maturities of long term debt (Refer Note 20.3.1)** | | |
| - Bonds | 1,102.80 | 1,102.80 |
| - Term Loan -Banks-Secured | - | 10.00 |
| - Term Loan -Financial Institutions-Secured | 158.00 | 366.33 |
| - Unsecured-From Government (Subordinate Debts) | 23.11 | 23.11 |
| - Other-Unsecured (in Foreign Currency) | 109.20 | 114.71 |
| Current maturities of lease obligations | 2.42 | 2.83 |
| Liability against capital works/supplies other than Micro and Small Enterprises | 397.76 | 375.41 |
| Liability against capital works/supplies-Micro and Small Enterprises **(Refer Note 20.3.2)** | 7.73 | 8.88 |
| Interest accrued but not due on borrowings | 660.72 | 643.10 |
| Payable towards Bonds Fully Serviced by Government of India | | |
| - Interest **(Refer Note 16.2.1 and 11(I))** | 4.49 | 4.48 |
| Earnest Money Deposit/ Retention Money | 319.06 | 97.34 |
| Due to Subsidiaries **(Refer Note 34(8))** | 2.14 | 5.44 |
| Unpaid dividend **(Refer Note 20.3.3)** | 23.47 | 22.64 |
| Unpaid interest **(Refer Note 20.3.3)** | 0.50 | 0.25 |
| Payable to Employees | 26.74 | 25.58 |
| Payable to Others | 87.48 | 77.17 |
| **TOTAL** | **2,925.62** | **2,880.07** |

**20.3.1** Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in **Note No-16.1.2**

**20.3.2** Disclosure of amount payable to Micro and Small Enterprises is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprise Development Act, 2006 is given under Note No.34(15).

**20.3.3** "Unpaid Dividend" and "Unpaid Interest" includes the amounts which have not been claimed by the investors/holders of the equity shares/bonds. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred. There is no amount due for payment to Investor Education and Protection Fund.

**20.3.4** Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

## NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in crore)

| PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Income received in advance (Advance against depreciation) | 48.25 | 48.25 |
| Deferred Income from Foreign Currency Fluctuation Account | 1.60 | 5.92 |
| Water Usage Charges Payable | 165.28 | 324.45 |
| Statutory dues payables | 132.91 | 102.01 |
| Contract Liablities-Deposit Works | 7.53 | 9.37 |
| Contract Liablities-Project Management/ Consultancy Work | 144.09 | 268.49 |
| Advance from Customers and Others | 32.99 | 11.70 |
| Grants in aid-from Government-Deferred Income **(Refer Note No-19(1))** | 33.20 | 32.25 |
| **TOTAL** | **565.85** | **802.44** |

**21.1** Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

## NOTE NO. 22 PROVISIONS - CURRENT

(₹ in crore)

| | PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A.** | **PROVISION FOR EMPLOYEE BENEFITS** | | |
| **i)** | **Provision for Long term Benefits (Provided for on the basis of actuarial valuation)** | | |
| | As per last Balance Sheet | 1.13 | 1.20 |
| | Additions during the year | 0.51 | - |
| | Amount used during the year | 0.56 | 0.07 |
| | **Closing Balance** | **1.08** | **1.13** |
| **ii)** | **Provision for Performance Related Pay/Incentive** | | |
| | As per last Balance Sheet | 361.10 | 234.52 |
| | Additions during the year | 266.07 | 250.57 |
| | Amount used during the year | 180.89 | 122.58 |
| | Amount reversed during the year | - | 1.41 |
| | **Closing Balance** | **446.28** | **361.10** |
| | **Less:-Advance Paid (Refer Note No-22.2)** | 93.09 | - |
| | **Closing Balance Net of Advance** | **353.19** | **361.10** |
| **iii)** | **Provision For Wage Revision - 3rd Pay Revision Committee** | | |
| | As per last Balance Sheet | - | 11.35 |
| | Amount used during the year | - | 7.45 |
| | Amount reversed during the year | - | 3.90 |
| | **Closing Balance** | **-** | **-** |
| **B.** | **OTHERS** | | |
| **i)** | **Provision For Tariff Adjustment** | | |
| | As per last Balance Sheet | 109.16 | 209.60 |
| | Amount used during the year | - | 100.44 |
| | **Closing Balance** | **109.16** | **109.16** |
| **ii)** | **Provision For Committed Capital Expenditure** | | |
| | As per last Balance Sheet | 124.31 | 127.55 |
| | Additions during the year | 0.20 | - |
| | Amount used during the year | 25.65 | 3.21 |
| | Amount reversed during the year | 0.17 | 0.03 |
| | **Closing Balance** | **98.69** | **124.31** |
| **iii)** | **Provision for Restoration expenses of Insured Assets** | | |
| | As per last Balance Sheet | 54.11 | 24.53 |
| | Additions during the year | 147.24 | 46.21 |
| | Amount used during the year | 49.12 | 15.65 |
| | Amount reversed during the year | 4.05 | 0.98 |
| | **Closing Balance** | **148.18** | **54.11** |
| **iv)** | **Provision For Livelihood Assistance** | | |
| | As per last Balance Sheet | 16.03 | 16.00 |
| | Additions during the year | 0.88 | 0.90 |
| | Amount used during the year | 0.87 | 0.92 |
| | Unwinding of discount | 0.14 | 0.05 |
| | **Closing Balance** | **16.18** | **16.03** |

| PARTICULARS | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **v)** | **Provision in respect of arbitration award/ court cases** | | |
| | As per last Balance Sheet | 353.20 | 354.52 |
| | Additions during the year | 0.09 | - |
| | Adjustment | 15.34 | (0.27) |
| | Amount used during the year | - | 1.05 |
| | Amount reversed during the year | 0.18 | - |
| | **Closing Balance** | **368.45** | **353.20** |
| **vi)** | **Provision - Others** | | |
| | As per last Balance Sheet | 209.12 | 350.10 |
| | Additions during the year | 20.28 | 30.17 |
| | Adjustment | (15.34) | 0.27 |
| | Amount used during the year | 0.88 | 169.36 |
| | Amount reversed during the year | 55.13 | 2.06 |
| | **Closing Balance** | **158.05** | **209.12** |
| | **TOTAL** | **1,252.98** | **1,228.16** |

**22.1** Information about Provisions is given in Note 34 (21) of Standalone Financial Statements.

**22.2** An amount of ₹ 93.09 Crore (Previous year-Nil) has been paid as ad-hoc advance against Performance Related Pay for FY 2019-20, pending MOU rating to be issued by Department of Public Enterprises.

## NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

| PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Current Tax Liability as per last Balance Sheet** | 581.27 | 705.07 |
| Additions during the year | 714.17 | 581.27 |
| Amount adjusted during the year | (578.70) | (705.07) |
| **Closing Balance of Current Tax Liablity (A)** | **716.74** | **581.27** |
| Less: Current Advance Tax including Tax Deducted at Source (B) | 681.74 | 619.64 |
| **Net Current Tax Liabilities (A-B)** | **35.00** | **(38.37)** |
| **(Disclosed under Note No-4)** | **-** | **38.37** |
| **TOTAL** | **35.00** | **-** |

## NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in crore)

| PARTICULARS | | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| | **Operating Revenue** | | |
| **A** | **SALES (Refer Note 24.1.1 and 24.1.2)** | | |
| | Sale of Power | 6,300.23 | 6,657.22 |
| | Advance Against Depreciation -Written back during the year | 48.38 | 44.72 |
| | Performance based Incentive | 762.90 | 810.00 |
| | **Sub-total (i)** | **7,111.51** | **7,511.94** |
| | **Less :** | | |
| | Sales adjustment on account of Foreign Exchange Rate Variation | 50.03 | 42.94 |
| | Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction) | 34.73 | 25.56 |
| | Rebate to customers | 16.31 | 12.63 |
| | **Sub-total (ii)** | **101.07** | **81.13** |
| | **Sub - Total (A) = (i-ii)** | **7,010.44** | **7,430.81** |

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| B | **Income from Finance Lease (Refer Note 34(16)(B))** | 371.62 | 203.65 |
| C | **Income from Operating Lease (Refer Note 34(16)(C))** | 712.00 | 666.57 |
| D | **Revenue From Contracts, Project Management and Consultancy Works** | | |
| | Contract Income | 0.06 | - |
| | Revenue from Project management/ Consultancy works | 38.46 | 27.88 |
| | **Sub - Total (D)** | **38.52** | **27.88** |
| E | **Revenue from Power Trading** | | |
| | Sale of Power | 218.52 | 240.26 |
| | Trading Margin | - | 0.91 |
| | Less: Rebate to Customers | 2.04 | 1.70 |
| | **Sub - Total (E)** | **216.48** | **239.47** |
| | **Sub-Total-I (A+B+C+D+E)** | **8,349.06** | **8,568.38** |
| F | **OTHER OPERATING REVENUE** | | |
| | Income From Sale of Self Generated VERs/REC | 1.92 | 1.76 |
| | Income on account of generation based incentive (GBI) | 2.96 | 2.53 |
| | Interest from Beneficiary States -Revision of Tariff | 152.64 | 162.48 |
| | **Sub-Total-II** | **157.52** | **166.77** |
| | **TOTAL (I+II)** | **8,506.58** | **8,735.15** |
| **24.1.1** | Sale of Power includes :- | | |
| | (i) Amount recovered/recoverable directly from beneficiary towards deferred tax liability pertaining to the period upto 2009 and materialised during the year. | 116.00 | 193.24 |
| | (ii) Deemed generation as allowed by Central Electricity Regulatory Commission (CERC). | Nil | 72.56 |
| | (iii) Amount of earlier year sales pending finalisation of tariff. | 290.99 | 220.50 |
| **24.1.2** | Amount of unbilled revenue included in Sales. | 886.15 | 1,971.74 |

## NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| A) | **Interest Income** | | |
| | - Investments carried at FVTOCI- Non Taxable | 5.67 | 5.68 |
| | - Investments carried at FVTOCI- Taxable | 25.79 | 25.76 |
| | - Loan to Government of Arunachal Pradesh | 60.82 | 55.80 |
| | - Deposit Account | 25.38 | 32.11 |
| | - Employee's Loans and Advances (Net of Rebate) | 14.20 | 12.24 |
| | - Advance to contractors | 15.56 | 29.83 |
| | - Others | 17.27 | 20.65 |
| B) | **Dividend Income** | | |
| | - Dividend from subsidiaries **(Refer Note 34.8)** | 283.68 | 485.17 |
| | - Dividend - Others | 9.00 | 4.80 |

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **C)** | **Other Non Operating Income (Net of Expenses directly attributable to such income)** | | |
| | Late payment surcharge | 532.81 | 259.34 |
| | Income from Insurance Claim | 138.64 | 29.33 |
| | Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)** | 23.48 | 115.67 |
| | **Material Issued to contractor** | | |
| | (i) Sale on account of material issued to contractors | 89.42 | 32.17 |
| | (ii) Cost of material issued to contractors on recoverable basis | (174.89) | (37.63) |
| | (iii) Adjustment on account of material issued to contractor | 85.47 | 5.46 |
| | Amortization of Grant in Aid **(Refer Note No-19)** | 32.26 | 29.95 |
| | Exchange rate variation (Net) | 34.21 | - |
| | Mark to Market Gain on Derivative | - | 33.71 |
| | Others | 26.91 | 29.07 |
| | **Sub-total** | **1,245.68** | **1,169.11** |
| | Less: transferred to Expenditure Attributable to Construction | 91.39 | 128.68 |
| | Less: transferred to Advance/ Deposit from Client/Contractees and against Deposit Works | 3.48 | 3.99 |
| | **Total** | **1,150.81** | **1,036.44** |
| **24.2.1** | **Detail of Liabilities/Impairment Allowances/Provisions not required written back** | | |
| a) | Allowances for Bad & Doubtful Capital Advances | - | 0.11 |
| b) | Allowances for Obsolescence & Diminution in Value of Inventories | 0.08 | 0.35 |
| c) | Impairment Allowances for trade receivables | 3.95 | - |
| d) | Allowances for Bad & Doubtful Deposits | 0.04 | - |
| e) | Allowances for doubtful recoverables | 1.51 | 3.34 |
| f) | Allowances for Doubtful Accrued Interest | - | 108.90 |
| g) | Allowances for project expenses awaiting write off sanction | 4.88 | - |
| h) | Allowances for losses pending investigation/awaiting write off / sanction | 3.01 | 0.16 |
| i) | Provision for Restoration expenses of Insured Assets | 3.97 | 0.98 |
| j) | Others | 6.04 | 1.83 |
| | **TOTAL** | **23.48** | **115.67** |

**24.2.2** Total includes ₹ 1.96 Crore (Previous year ₹ 43.54 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 1.96 Crore (Previous year ₹ 9.82 Crore) for the same has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

## NOTE NO. 25.1 PURCHASE OF POWER - TRADING

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Purchase of Power | 216.71 | 238.32 |
| Less : Rebate from Supplier | 4.34 | 4.19 |
| **Total** | **212.37** | **234.13** |

## NOTE NO. 25.2 GENERATION EXPENSES

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Water Usage Charges | 835.02 | 882.93 |
| Consumption of stores and spare parts | 19.78 | 18.74 |
| **Sub-total** | **854.80** | **901.67** |
| Less: transferred to Expenditure Attributable to Construction | 0.43 | - |
| **Total** | **854.37** | **901.67** |

## NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Salaries and Wages | 1,398.16 | 1,496.38 |
| Contribution to provident and other funds | 201.79 | 190.60 |
| Staff welfare expenses | 71.36 | 85.34 |
| **Sub-total** | **1,671.31** | **1,772.32** |
| Less: transferred to Expenditure Attributable to Construction | 262.05 | 256.80 |
| **Total** | **1,409.26** | **1,515.52** |

**26.1** Disclosure about leases towards residential accommodation for employees are given in Note 34 (16) (A).

| | | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **26.2** | Contribution to provident and other funds include contributions: | | |
| | i) towards Employees Provident Fund | 84.31 | 88.18 |
| | ii) towards Employees Defined Contribution Superannuation Scheme | 103.42 | 88.40 |
| **26.3** | Salary and wages includes expenditure on short term leases as per IND AS-116 "Leases". | 0.99 | 1.50 |

**26.4** Total includes ₹ 15.35 Crore (Previous year ₹ 35.61 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 15.35 Crore (Previous year ₹ 35.60 Crore) for the same has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

## NOTE NO. 27 FINANCE COSTS

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **A** | **Interest on Financial Liabilities at Amortized Cost** | | |
| | Bonds | 1,285.14 | 1,101.23 |
| | Term loan | 66.63 | 124.08 |
| | Foreign loan | 26.50 | 25.29 |
| | Government of India loan | 70.64 | 69.71 |
| | Short Term loan | 2.13 | 15.93 |
| | Lease Liabilities | 1.10 | 1.17 |
| | Unwinding of discount-Government of India Loan | 49.69 | 42.83 |
| | **Sub-total** | **1,501.83** | **1,380.24** |
| **B** | **Other Borrowing Cost** | | |
| | Call spread/ Coupon Swap | 43.64 | 30.23 |
| | Bond issue/ service expenses | 1.93 | 1.28 |
| | Guarantee fee on foreign loan | 13.59 | 13.43 |
| | Other finance charges | 0.59 | 0.95 |
| | Unwinding of discount-Provision & Financial Liabilities | 4.21 | 5.36 |
| | **Sub-total** | **63.96** | **51.25** |
| **C** | **Applicable net (gain)/ loss on Foreign currency transactions and translation** | | |
| | Exchange differences regarded as adjustment to interest cost | - | 143.79 |
| | Less: Transferred to Deferred Foreign Currency Fluctuation Assets | - | (120.23) |
| | **Sub-total** | **-** | **23.56** |
| **D** | **Interest on Income Tax** | 2.57 | 2.16 |
| | **TOTAL (A + B + C +D )** | **1,568.36** | **1,457.21** |
| | Less: Transferred to Expenditure Attributable to Construction | 918.77 | 661.79 |
| | **TOTAL** | **649.59** | **795.42** |

**27.1** Total includes ₹ 78.10 Crore (Previous year ₹ 157.61 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 78.10 Crore (Previous year ₹ 157.61 Crore) for the same has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

## NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Depreciation - Property, Plant and Equipment | 1,224.13 | 1,547.17 |
| Depreciation - Right of use Assets | 25.30 | 27.32 |
| Amortization - Intangible Assets | 2.22 | 0.95 |
| Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 19 and 5(D)(ii)** | (1.41) | (0.35) |
| **Sub-total** | **1,250.24** | **1,575.09** |
| Less: Transferred to Expenditure Attributable to Construction | 15.74 | 29.75 |
| **TOTAL** | **1,234.50** | **1,545.34** |

**28.1** Total includes ₹ 1.47 Crore (Previous year ₹ 3.59 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 1.47 Crore (Previous year ₹ 3.59 Crore) for the same has been recognised as per Ind AS 114-" Regulatory Deferral Accounts".

## NOTE NO. 29 OTHER EXPENSES

(₹ in crore)

| PARTICULARS | | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **A.** | **REPAIRS AND MAINTENANCE** | | |
| | - Building | 65.36 | 67.59 |
| | - Machinery | 64.95 | 73.98 |
| | - Others | 150.63 | 146.43 |
| **B.** | **OTHER EXPENSES** | | |
| | Rent | 18.25 | 19.33 |
| | Hire Charges | 24.79 | 28.98 |
| | Rates and taxes | 14.46 | 15.25 |
| | Insurance | 197.66 | 168.00 |
| | Security expenses | 385.38 | 390.50 |
| | Electricity Charges | 42.91 | 43.46 |
| | Travelling and Conveyance | 8.97 | 27.79 |
| | Expenses on vehicles | 6.00 | 6.69 |
| | Telephone, telex and Postage | 14.71 | 17.44 |
| | Advertisement and publicity | 4.59 | 7.97 |
| | Entertainment and hospitality expenses | 0.99 | 0.42 |
| | Printing and stationery | 3.88 | 4.66 |
| | Consultancy charges - Indigenous | 10.21 | 13.81 |
| | Audit expenses **(Refer Note 29.2)** | 1.96 | 2.83 |
| | Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses | 5.78 | 10.69 |
| | Expenditure on land not belonging to company | 10.42 | 3.05 |
| | Loss on Assets (Net) | 8.69 | 2.51 |
| | Losses on Assets covered under Insurance | 148.61 | 46.21 |
| | Corporate social responsibility **(Refer Note 34(14))** | 79.63 | 126.43 |
| | Directors' Sitting Fees | 0.05 | 0.17 |
| | Interest on Arbitration/ Court Cases | - | 3.66 |
| | Interest to beneficiary | 3.80 | 77.00 |
| | Expenditure on Self Generated VER's/REC | - | 0.10 |
| | Exchange rate variation (Net) | - | 49.75 |
| | Training Expenses | 4.16 | 8.52 |
| | Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/ IEX/PXIL | 12.20 | 10.50 |
| | Operational/Running Expenses of Kendriya Vidyalay | 6.25 | 5.44 |
| | Operational/Running Expenses of Other Schools | 0.51 | 0.56 |
| | Operational/Running Expenses of Guest House/Transit Hostel | 21.80 | 21.47 |
| | Operating Expenses of DG Set-Other than Residential | 6.40 | 7.70 |
| | Change in Fair Value of Derivatives | 15.50 | - |
| | Other general expenses | 30.39 | 28.65 |
| | **Sub-total** | **1,369.89** | **1,437.54** |
| | Less: Transferred to Expenditure Attributable to Construction | 164.40 | 77.76 |
| | **Sub-total (i)** | **1,205.49** | **1,359.78** |

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **C.** | **PROVISIONS/ IMPAIRMENT ALLOWANCE** | | |
| | Allowance for Bad and doubtful advances / deposits | 74.78 | - |
| | Allowance for Bad and doubtful recoverable | 0.03 | - |
| | Allowance for stores and spares/ Construction stores | 0.83 | 0.16 |
| | Allowance for Shortage in store and spares provided | - | 0.06 |
| | Allowance for Project expenses | 144.63 | 154.73 |
| | Allowances for losses pending investigation/ awaiting write off / sanction | 0.21 | 0.28 |
| | Allowances for Goods and Services Tax Input Receivable | 13.54 | - |
| | **Sub-total** | **234.02** | **155.23** |
| | Less: transferred to Expenditure Attributable to Construction | 13.62 | 0.06 |
| | **Sub-total (ii)** | **220.40** | **155.17** |
| | **TOTAL (i+ii)** | **1,425.89** | **1,514.95** |

**29.1** Disclosure about leases are given in Note 34 (16) (A).

(₹ in Crore)

| **29.2** | **Detail of audit expenses are as under: -** | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| | **i) Statutory auditors** | | |
| | **As Auditor** | | |
| | Audit Fees | 0.73 | 0.79 |
| | Tax Audit Fees | 0.21 | 0.22 |
| | **In other Capacity** | | |
| | Taxation Matters | 0.01 | - |
| | Other Matters/services | 0.63 | 1.00 |
| | Reimbursement of expenses | 0.08 | 0.55 |
| | **ii) Cost Auditors** | | |
| | Audit Fees | 0.20 | 0.24 |
| | Reimbursement of expenses | - | 0.03 |
| | **iii) Goods and Service Tax (GST) Auditors** | | |
| | Audit Fees | 0.10 | - |
| | **Total Audit Expenses** | **1.96** | **2.83** |

| | | | |
|---|---|---|---|
| **29.3** | Rent includes the following expenditure as per IND AS-116 ''Leases''. | | (₹ in Crore) |
| **(i)** | Expenditure on short-term leases other than lease term of one month or less | 13.71 | 15.08 |
| **(ii)** | Expenditure on long term lease of low-value assets | 0.02 | 0.14 |
| **(iii)** | Variable lease payments not included in the measurement of lease liabilities | 4.51 | 5.61 |

**29.4** Total includes ₹ 6.10 Crore (Previous year ₹ 70.44 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 6.10 Crore (Previous year ₹ 16.27 Crore) for the same has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

## NOTE NO. 30.1 TAX EXPENSES

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| **Current Tax** | | |
| Provision for Current Tax | 714.17 | 581.27 |
| Adjustment Relating To Earlier periods | - | 21.13 |
| **Total current tax expenses** | **714.17** | **602.40** |
| **Deferred Tax** | | |
| **Decrease (increase) in deferred tax assets** | | |
| - Relating to origination and reversal of temporary differences | (52.82) | (42.01) |
| **Increase (decrease) in deferred tax liabilities** | | |
| - Relating to origination and reversal of temporary differences | 18.78 | 40.61 |
| **Total deferred tax expenses (benefits)** | (34.04) | (1.40) |
| **Net Deferred Tax** | (34.04) | (1.40) |
| **Total** | **680.13** | **601.00** |

| | | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **30.1.1** | **Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.** | | |
| | Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance | 3,913.50 | 3,608.17 |
| | Applicable tax rate (%) | 34.9440 | 34.9440 |
| | **Computed tax expense** | **1,367.53** | **1,260.84** |
| | **Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.** | | |
| | Non Deductible Tax Expenses | 31.50 | 45.17 |
| | Tax Exempt Income | (1.98) | (173.20) |
| | Tax Incentives (80-IA Deductions) | (797.75) | (773.13) |
| | Minimum Alternate Tax Adjustments | 183.10 | 220.19 |
| | Deduction u/s 80M | (102.27) | - |
| | Adjustment Relating To Earlier periods | - | 21.13 |
| | **Income tax expense reported in Statement of Profit and Loss** | **680.13** | **601.00** |
| **30.1.2** | **Amounts recognised directly in Equity** | | |
| | Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity | | |
| | Current Tax | Nil | Nil |
| | Deferred tax | Nil | Nil |
| | **Total** | **Nil** | **Nil** |
| **30.1.3** | **Tax losses and credits** | | |
| | (i) Unused tax losses for which no deferred tax asset has been recognised | Nil | Nil |
| | Potential tax benefit @ 30% | Nil | Nil |
| | (ii) The details of MAT Credit available to the Company in future but not recognised in the books of account **(Refer Note 30.1.5)** | 2,382.61 | 2,196.82 |
| **30.1.4** | **Unrecognised temporary differences** | | |
| | Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised. | | |
| | Undistributed Earnings | Nil | Nil |
| | Unrecognised deferred tax liabilities relating to the above temporary differences | Nil | Nil |

**30.1.5** The details of Minimum Alternate Tax (MAT) Credit available to the Company in future but not recognised in the books of account is given below:-

(₹ in Crore)

| Financial Years | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Amount | Year of Expiry | Amount | Year of Expiry |
| 2020-21 | 183.10 | 2035-36 | - | - |
| 2019-20 | 158.70 | 2034-35 | 156.01 | 2034-35 |
| 2018-19 | 696.15 | 2033-34 | 696.15 | 2033-34 |
| 2017-18 | 210.11 | 2032-33 | 210.11 | 2032-33 |
| 2016-17 | 11.59 | 2031-32 | 11.59 | 2031-32 |
| 2015-16 | 177.01 | 2030-31 | 177.01 | 2030-31 |
| 2014-15 | 46.81 | 2029-30 | 46.81 | 2029-30 |
| 2013-14 | 481.84 | 2028-29 | 481.84 | 2028-29 |
| 2012-13 | 291.71 | 2027-28 | 291.71 | 2027-28 |
| 2008-09 | 125.59 | 2023-24 | 125.59 | 2023-24 |
| **TOTAL** | **2382.61** | | **2196.82** | |

Deferred tax assets in respect of aforesaid MAT credit available to company in future has not been recognised considering its uncertainty of reversal in foreseeable future.

## NOTE NO. 30.2 OTHER COMPREHENSIVE INCOME

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| **(i) Items that will not be reclassified to profit or loss** | | |
| (a) Remeasurement of the post employment defined benefit obligations | (61.93) | 57.66 |
| Less: Income Tax on remeasurement of the post employment defined benefit obligations | (21.64) | 20.15 |
| **Remeasurement of the post employment defined benefit obligations (net of Tax)** | **(40.29)** | **37.51** |
| Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | 2.87 | 8.14 |
| **Remeasurement of the post employment defined benefit obligations (net of Tax) and Regulatory deferral account balances (a)** | **(43.16)** | **29.37** |
| (b) Investment in Equity Instruments | 47.13 | (42.09) |
| **Sub total (b)** | **47.13** | **(42.09)** |
| **Total (i)=(a)+(b)** | **3.97** | **(12.72)** |
| **(ii) Items that will be reclassified to profit or loss** | | |
| - Investment in Debt Instruments | 4.21 | 15.77 |
| Less: Income Tax on investment in Debt Instruments | 0.98 | 3.67 |
| **Total (ii)** | **3.23** | **12.10** |
| **Total =(i+ii)** | **7.20** | **(0.62)** |

## NOTE NO. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| | **Movement in Regulatory Deferral Account Balances on account of:-** | | |
| **(i)** | Subansiri Lower Project:- | | |
| a) | Employee Benefits Expense | - | 35.60 |
| b) | Other Expenses | - | 16.27 |
| c) | Depreciation and Amortization Expense | - | 3.59 |
| d) | Finance Costs | - | 157.61 |
| e) | Other Income | - | (9.82) |
| | **Sub Total (i)** | **-** | **203.25** |
| **(ii)** | Kishanganga Power Station:-Depreciation due to moderation of Tariff | 195.51 | 195.62 |
| **(iii)** | Exchange Differences on Monetary Items | 1.70 | 0.99 |
| **(iv)** | Adjustment against Deferred Tax Recoverable for tariff period upto 2009 | (75.46) | (125.71) |
| **(v)** | Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards | 6.28 | 69.46 |
| **(vi)** | Movement in Regulatory Deferral Account Balances on account of Borrowings and Other Costs incurred during Covid-19 Lock Down Period. | | |
| a) | Employee Benefits Expense | 15.35 | - |
| b) | Other Expenses | 6.10 | - |
| c) | Depreciation and Amortization Expense | 1.47 | - |
| d) | Finance Costs | 78.10 | - |
| e) | Other Income | (1.96) | - |
| | **Sub Total (vi)** | **99.06** | **-** |
| | **TOTAL (i)+(ii)+(iii)+(iv+(v)+(vi)** | **227.09** | **343.61** |
| | **Impact of Tax on Regulatory Deferral Accounts** | | |
| | Less: Deferred Tax on Regulatory Deferral Account Balances | 24.18 | 19.66 |
| | Add: Deferred Tax recoverable from Beneficiaries | 24.18 | 19.66 |
| | **TOTAL** | **227.09** | **343.61** |

Refer Note 14 of Standalone Financial Statements.

## NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **A.** | **GENERATION EXPENSE** | | |
| | Consumption of stores and spare parts | 0.43 | - |
| | **Sub-total** | **0.43** | **-** |
| **B.** | **EMPLOYEE BENEFITS EXPENSE** | | |
| | Salaries and Wages | 130.81 | 120.70 |
| | Contribution to provident and other funds | 19.01 | 16.12 |
| | Staff welfare expenses | 5.97 | 5.04 |
| | **Sub-total** | **155.79** | **141.86** |
| **B.** | **FINANCE COSTS** | | |
| | Interest on : **(Refer Note 2.2.1)** | | |
| | Bonds | 844.18 | 564.44 |
| | Foreign loan | 6.14 | 3.56 |
| | Term loan | 27.77 | 55.59 |
| | | **878.09** | **623.59** |

| | PARTICULARS | For the Year ended 31st March, 2020 | For the Year ended 31st March, 2019 |
|---|---|---|---|
| | Exchange differences regarded as adjustment to interest cost | - | 14.15 |
| | Loss on Hedging Transactions | 38.24 | 22.01 |
| | Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest | 1.26 | 1.73 |
| | Transfer of expenses to EAC- Interest on FC Loans - Effective Interest Adjustment | 0.89 | 0.09 |
| | **Sub-total** | **918.48** | **661.57** |
| **D.** | **DEPRECIATION AND AMORTISATION EXPENSES** | 13.60 | 27.53 |
| | **Sub-total** | **13.60** | **27.53** |
| **E.** | **OTHER EXPENSES** | | |
| | Repairs And Maintenance : | | |
| | - Building | 6.92 | 5.96 |
| | - Machinery | 0.97 | 0.91 |
| | - Others | 9.36 | 7.42 |
| | Rent & Hire Charges | 7.44 | 9.36 |
| | Rates and taxes | 1.95 | 2.33 |
| | Insurance | 9.19 | 2.58 |
| | Security expenses | 24.95 | 19.26 |
| | Electricity Charges | 4.28 | 3.95 |
| | Travelling and Conveyance | 1.33 | 2.55 |
| | Expenses on vehicles | 0.72 | 0.69 |
| | Telephone, telex and Postage | 1.64 | 1.61 |
| | Advertisement and publicity | - | 0.01 |
| | Printing and stationery | 0.34 | 0.29 |
| | Design and Consultancy charges: | | |
| | - Indigenous | 4.42 | 2.90 |
| | Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses | 0.37 | 0.20 |
| | Expenditure on land not belonging to company | - | 0.25 |
| | Assets/ Claims written off | 75.95 | - |
| | Other general expenses | 6.18 | 6.32 |
| | Exchange rate variation (Debit) | - | 0.26 |
| | **Sub-total** | **156.01** | **66.85** |
| **F.** | **PROVISIONS** | 13.62 | 0.06 |
| | **Sub-total** | **13.62** | **0.06** |
| **G.** | **CORPORATE OFFICE/REGIONAL OFFICE EXPENSES** | | |
| | Other Income | (0.44) | (1.06) |
| | Other Expenses | 8.39 | 10.91 |
| | Employee Benefits Expense | 106.26 | 114.94 |
| | Depreciation & Amortisation Expenses | 2.14 | 2.22 |
| | Finance Cost | 0.29 | 0.22 |
| | **Sub-total** | **116.64** | **127.23** |
| **H.** | **LESS: RECEIPTS AND RECOVERIES** | | |
| | Income from generation of electricity – precommissioning | 34.73 | 25.56 |
| | Interest on loans and advances | 13.88 | 15.92 |
| | Profit on sale of assets | 0.03 | 0.05 |
| | Exchange rate variation (Credit) | - | 0.66 |
| | Provision/Liability not required written back | 1.67 | 110.45 |
| | Miscellaneous receipts | 75.37 | 0.54 |
| | **Sub-total** | **125.68** | **153.18** |
| | **TOTAL (A+B+C+D+E+F+G-H) (Refer Note 2.2)** | **1,248.89** | **871.92** |

## Note-33: Disclosure on Financial Instruments and Risk Management

**(1) Fair Value Measurement**

**A) Financial Instruments by category**

(₹ in crore)

| Financial assets | Notes | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| **Non-current Financial assets** | | | | | | | |
| (i) Non-current investments | | | | | | | |
| a) In Equity Instrument (Quoted) | 3.1 | | 93.30 | | | 46.57 | |
| b) In Debt Instruments (Government/Public Sector Undertaking) - Quoted | 3.1 | | 422.05 | | | 417.56 | |
| **Sub-total** | | | **515.35** | | | **464.13** | |
| (ii) Loans | | | | | | | |
| a) Deposits | 3.2 | | | 23.00 | | | 22.45 |
| b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) | 3.2 | | | 18.40 | | | - |
| c) Employees | 3.2 | | | 165.25 | | | 100.40 |
| d) Loan to Government of Arunachal Pradesh (Including interest) accrued) | 3.2 | | | 736.62 | | | 675.80 |
| (iii) Others | | | | | | | |
| - Lease Receivables including interest | 3.3 | | | 2,563.17 | | | 1,384.63 |
| - Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | | | 2,017.20 | | | 2,017.20 |
| - Share Application Money Pending Allotment | 3.3 | | | 318.29 | | | - |
| - Derivative MTM Asset | 3.3 | 18.21 | | | 33.71 | | |
| - Bank Deposits with more than 12 Months Maturity (Including interest accrued) | 3.3 | | | 0.40 | | | 0.37 |
| **Total Non-current Financial assets** | | **18.21** | **515.35** | **5,842.33** | **33.71** | **464.13** | **4,200.85** |
| **Current Financial assets** | | | | | | | |
| (i) Trade Receivables | 7 | | | 3,206.02 | | | 3,585.12 |
| (ii) Cash and cash equivalents | 8 | | | 145.57 | | | 8.87 |
| (iii) Bank balances other than Cash and Cash Equivalents | 9 | | | 768.39 | | | 380.25 |

| Financial assets | Notes | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| (iv) Loans | 10 | | | | | | |
| - Employee Loans | | | | 47.66 | | | 39.28 |
| - Loans to Joint Venture (National High Power Test Laboratory (P) Limited) | | | | 0.42 | | | 6.27 |
| - Deposits | | | | 0.36 | | | 0.48 |
| (v) others (Excluding Lease Receivables) | 11 | | | 2,284.83 | | | 2,881.36 |
| (vi) others (Lease Receivables including interest) | 11 | | | 101.29 | | | 51.60 |
| **Total Current Financial Assets** | | **-** | **-** | **6,554.54** | **-** | **-** | **6,953.23** |
| **Total Financial Assets** | | **18.21** | **515.35** | **12,396.87** | **33.71** | **464.13** | **11,154.08** |

| Financial Liabilities | Notes | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| (i) Long-term borrowings | 16.1 | | | 21,230.99 | | | 20,878.66 |
| (ii) Long term maturities of lease obligations | 16.1 | | | 10.23 | | | 11.08 |
| (iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.2 | | | 2,054.34 | | | 2,059.23 |
| (iv) Borrowing -Short Term | 20.1 | | | 726.03 | | | 714.31 |
| (v) Trade Payables including Micro, Small and Medium Enterprises | 20.2 | | | 201.34 | | | 304.26 |
| (vi) Other Current financial liabilities | | | | | | | |
| a) Current maturities of long term borrowings | 20.3 | | | 1,393.11 | | | 1,616.95 |
| b) Current maturities of lease obligations | 20.3 | | | 2.42 | | | 2.83 |
| c) Interest Accrued but not due on borrowings | 20.3 | | | 660.72 | | | 643.10 |
| d) Other Current Liabilities | 20.3 | | | 869.37 | | | 617.19 |
| **Total Financial Liabilities** | | | | **27,148.55** | | | **26,847.61** |

## B) FAIR VALUATION MEASUREMENT

### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value 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 following three levels prescribed under Ind AS-113 "Fair Value Measurements".

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date.

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

**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 includes derivative MTM assets/liabilities, security deposits/ retention money and loans at below market rates of interest.

**(a) Financial Assets/Liabilities Measured at Fair Value-Recurring Fair Value Measurement:**

(₹ in crore)

| PARTICULARS | Note No. | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Assets at FVTOCI** | | | | | | | |
| **(i) Investments-** | | | | | | | |
| - In Equity Instrument (Quoted) | 3.1 | 93.30 | | | 46.57 | | |
| - In Debt Instruments (Government/ Public Sector Undertaking)- Quoted* | 3.1 | 422.05 | | | 417.56 | | |
| **Financial Assets at FVTPL :** | | | | | | | |
| (i) Derivative MTM Asset (Call spread option and Coupon only swap) | 3.3 | | 18.21 | | | 33.71 | |
| **Total** | | **515.35** | **18.21** | **-** | **464.13** | **33.71** | **-** |

**Note:**

* in the absence of latest quoted market rates in respect of these instruments, rates have been derived as per Fixed Income Money Market and Derivatives Association of India (FIMMDA).

All other financial assets and financial liabilities have been measured at amortised cost at balance sheet date and classified as non-recurring fair value measurement.

**(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:**

(₹ in Crore)

| PARTICULARS | Note No. | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| **(i) Loans** | | | | | | | |
| a) Employees | 3.2 | | 216.86 | | | 117.29 | |
| b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) | 3.2 | | 18.40 | | | - | |

| PARTICULARS | Note No. | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| c) Loan to Government of Arunachal Pradesh (including Interest Accrued) | 3.2 | | 736.62 | | | 675.80 | |
| c) Deposits | 3.3 | | | 23.00 | | | 22.45 |
| **(ii) Others** | | | | | | | |
| -Bank Deposits with more than 12 Months Maturity (Including Interest accrued) | 3.3 | | 0.40 | | | 0.37 | |
| -Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | 2,017.20 | | | 2,017.20 | | |
| **Total Financial Assets** | | **2,017.20** | **972.28** | **23.00** | **2,017.20** | **793.46** | **22.45** |
| **Financial Liabilities** | | | | | | | |
| (i) Long-term borrowings including current maturities and accrued interest | 16.1 & 20.3 | 19,083.09 | 2,207.18 | 2,881.38 | 16,161.49 | 3,444.70 | 2,654.45 |
| (ii) Long term and Short term maturities of lease obligations | 16.1 & 20.3 | | | 12.65 | | | 13.91 |
| (iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.2 | 2,017.20 | | 42.12 | 2,017.20 | | 46.99 |
| **Total Financial Liabilities** | | **21,100.29** | **2,207.18** | **2,936.15** | **18,178.69** | **3,444.70** | **2,715.35** |

**(c) Fair value of Financial Assets and liabilities measured at Amortised Cost**

(₹ in Crore)

| Particulars | Note No. | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial assets** | | | | | |
| (i) Loans | | | | | |
| a) Employees | 3.2 | 165.25 | 216.86 | 100.40 | 117.29 |
| b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) | 3.2 | 18.40 | 18.40 | - | - |
| c) Loan to Government of Arunachal Pradesh (including Interest Accrued) | 3.2 | 736.62 | 736.62 | 675.80 | 675.80 |
| d) Deposits | 3.2 | 23.00 | 23.00 | 22.45 | 22.45 |
| **(ii) Others** | | | | | |
| - Bank Deposits with more than 12 Months Maturity (Including Interest accrued) | 3.3 | 0.40 | 0.40 | 0.37 | 0.37 |

| Particulars | Note No. | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| - Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | 2,017.20 | 2,017.20 | 2,017.20 | 2,017.20 |
| **Total Financial Assets** | | **2,960.87** | **3,012.48** | **2,816.22** | **2,833.11** |
| **Financial Liabilities** | | | | | |
| (i) Long-term borrowings including Current maturities and accrued interest | 16.1 & 20.3 | 23,284.82 | 24,171.65 | 23,138.71 | 22,260.65 |
| (ii) Long term and Short term maturities of lease obligations | 16.1 & 20.3 | 12.65 | 12.65 | 13.91 | 13.91 |
| (iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.2 | 2,054.34 | 2,059.32 | 2,059.23 | 2,064.19 |
| **Total Financial Liabilities** | | **25,351.81** | **26,243.62** | **25,211.85** | **24,338.75** |

**Note:-**

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents, Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

**(d) Valuation techniques and process used to determine fair values**

(1) The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

- Use of Quoted market price or dealer quotes for similar instruments.
- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

(2) The discount rate used to fair value financial instruments classified at Level - 3 is based on the Weighted Average Rate of company's outstanding borrowings except subordinate debts and foreign currency borrowings.

(3) Financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method where such transaction costs incurred on long term borrowings are material.

**(2) Financial Risk Management**

**(A) Financial risk factors**

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash & Cash equivalents, Other Bank Balances ,Trade receivables and financial assets measured at amortised cost, Lease Receivable. | Aging analysis, credit rating. | Diversification of bank deposits, letter of credit for selected customers. |
| Liquidity Risk | Borrowings and other facilities. | Rolling cash flow forecasts & Budgets | Availability of committed credit lines and borrowing facilities. |
| Market Risk- Interest rate | Long term borrowings at variable rates | Sensitivity Analysis | 1. Diversification of fixed rate and floating rates<br>2. Refinancing<br>3. Actual Interest is recovered through tariff as per CERC Regulation |
| Market Risk- security prices | Investment in equity and debt securities | Sensitivity Analysis | Portfolio diversification |
| Market Risk- foreign exchange | Recognised financial liabilities not denominated in INR. | Sensitivity Analysis | Foreign exchange rate variation is recovered through tariff as per CERC Regulation.<br>Call spread option and coupon only swap |

**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. Company has a well-defined risk management policy to provide overall framework for the risk management in the Company. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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

**i) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

**ii) Liquidity risk.**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

**iii) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company operates in a regulated environment. Tariff of the company is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components: 1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company.

**(B) Credit Risk**

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**Trade Receivables, unbilled revenue & lease receivables :-**

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets. Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as trade receivables for the same type of contracts.

Lease receivables of the company are with regard to Power Purchase Agreements classified as finance lease as per Ind AS 116- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

**Financial assets at amortised cost :-**

**Employee Loans:** The Company has given loans to employees at concessional rates as per Company's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

**Loans to Government of Arunanchal Pradesh :** The Company has given loan to Government of Arunachal Pradesh at 9% rate of interest as per the terms and conditions of Memorandum of understanding signed between the Company and Government of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost. The loan is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

**Financial instruments and cash deposits :-**

The Company considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company invests surplus cash in short term deposits with scheduled banks. The company has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank.

**(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 as under:

(₹ in Crore)

| PARTICULARS | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)** | | |
| Non-current investments (Other than Subsidiaries and Joint Ventures) | 515.35 | 464.13 |
| Loans -Non Current (including interest) | 943.27 | 798.65 |
| Other Non Current Financial Assets | 2,017.60 | 2,017.57 |
| Cash and cash equivalents | 145.57 | 8.87 |
| Bank balances other than Cash and Cash Equivalents | 768.39 | 380.25 |
| Loans -Current | 48.44 | 46.03 |
| Other Financial Assets (Excluding Lease Receivables) | 2,284.83 | 2,881.36 |
| **Total (A)** | **6,723.45** | **6,596.86** |
| **Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)** | | |
| Trade Receivables | 3,206.02 | 3,585.12 |
| Lease Receivables (Including Interest) | 2,664.46 | 1,436.23 |
| **Total (B)** | **5,870.48** | **5,021.35** |
| **TOTAL (A+B)** | **12,593.93** | **11,618.21** |

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

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

The Company assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

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

A default in recovery of financial assets occurs when in view of the management there is no significant possibility of recovery of receivables after considering all available options for recovery. As the power stations and beneficiaries of the company are spread over various states of India, geographically there is no concentration of credit risk.

The Company primarily sells electricity to bulk customers comprising mainly of 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 Agreements (TPA) 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. 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 Central Plan Assistance of the State 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.

CERC Tariff Regulations 2019-24 allow the Company to raise bills on beneficiaries for late-payment surcharge. which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date company does not envisage any default risk on account of non-realisation of trade receivables.

**(iii) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the period was as follows:

(₹ in Crore)

| | Trade Receivables | Claim Recoverable | Loans | Total |
|---|---|---|---|---|
| **Balance as at 1.4.2019** | **37.71** | **203.37** | **0.01** | **241.09** |
| Changes in Loss Allowances | - | 82.35 | - | 82.35 |
| **Balance as at 1.4.2020** | **37.71** | **285.72** | **0.01** | **323.44** |
| Changes in Loss Allowances | (3.95) | (10.57) | - | (14.52) |
| **Balance as at 31.3.2021** | **33.76** | **275.15** | **0.01** | **308.92** |

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

**(C) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

i) The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

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

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| At Floating Rate | 475.00 | 925.00 |
| **Total** | **475.00** | **925.00** |

**ii) Maturities of Financial Liabilities:**

The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 1 year is equal to their carrying balances as the impact of discounting is not significant.

**As at 31st March, 2021** (₹ in Crore)

| CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES | Note No. | Outstanding Debt as on 31.3.2021 | Within 1 Year | More than 1 Year & Less than 3 Years | More than 3 Years & Less than 5 Years | More than 5 Years |
|---|---|---|---|---|---|---|
| Borrowings | 16.1, 20.1 & 20.3 | 24,423.60 | 2,119.14 | 3,161.38 | 4,160.14 | 14,982.94 |
| Lease obligations | 16.1 & 20.3 | 24.06 | 2.42 | 4.29 | 1.87 | 15.48 |
| Other financial Liabilities | 16.2 & 20.3 | 3,598.00 | 1,526.33 | 11.32 | 7.40 | 2,052.95 |
| Trade Payables | 20.2 | 201.34 | 201.34 | - | - | - |
| **Total Financial Liabilities** | | **28,247.00** | **3,849.23** | **3,176.99** | **4,169.41** | **17,051.37** |

**As at 31st March, 2020** (₹ in Crore)

| CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES | Note No. | Outstanding Debt as on 31.3.2020 | Within 1 Year | More than 1 Year & Less than 3 Years | More than 3 Years & Less than 5 Years | More than 5 Years |
|---|---|---|---|---|---|---|
| Borrowings | 16.1, 20.1 & 20.3 | 24,262.41 | 2,331.26 | 2,963.68 | 3,782.02 | 15,185.45 |
| Lease obligations | 16.1 & 20.3 | 25.38 | 2.83 | 4.88 | 2.99 | 14.68 |
| Other financial Liabilities | 16.2 & 20.3 | 3,331.43 | 1,256.11 | 10.87 | 6.95 | 2,057.50 |
| Trade Payables | 20.2 | 304.26 | 304.26 | - | - | - |
| **Total Financial Liabilities** | | **27,923.48** | **3,894.46** | **2,979.43** | **3,791.96** | **17,257.63** |

**(D) Market Risk:**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

**(i) Interest rate risk and sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. Company's policy is to maintain most of its borrowings at fixed rate. Company's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the company refinance these debts as and when favourable terms are available. The company is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

| PARTICULARS | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | weighted average interest rate (%) | (₹ in Crore) | weighted average interest rate (%) | (₹ in Crore) |
| Floating Rate Borrowings (INR) | - | - | 8.00 | 500.00 |
| Fixed Rate Borrowings (INR) | 7.89 | 20,934.19 | 8.07 | 20,106.61 |
| Fixed Rate Borrowings (FC) | 1.41 | 1,689.92 | 1.47 | 1,889.00 |
| **Total** | | **22,624.11** | | **22,495.61** |

**Interest Rate Sensitivity Analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The majority of the borrowings of the company are at fixed interest rate. In case of floating rate borrowings there is no impact on Statement of Profit and Loss of the company due to increase/decrese in interest rates, as the same is recoverable from beneficiaries through tariff.

**(ii) Price Risk:**

**(a) Exposure**

The company's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Company's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Company's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

**(b) Price Risk Sensitivity**

**For Investment in Equity Instruments (Investment in equity shares of IOB and PTC)**

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the company's equity for the year:

| PARTICULARS | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| Investment in Equity shares of : | % change | Impact on other components of equity (₹ in Crore) | % change | Impact on other components of equity (₹ in Crore) |
| PTC India Ltd | 1.54 | 1.43 | 24.11 | 11.21 |
| Indian Overseas Bank | - | - | 22.83 | 0.06 |

Sensitivity has been worked out based on the previous 3 years average of six monthly fluctuations in the share price as quoted on the National Stock Exchange (NSE).

**For Investment in Debt Instruments (Investments in Government and Public Sector Undertaking Bonds)**

The table below summarises the impact of increase/decrease of the market value of the debt instruments on company's equity for the year:

| PARTICULARS | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | % change | Impact on other components of equity (₹ in Crore) | % change | Impact on other components of equity (₹ in Crore) |
| Government Securities | 1.11 | 3.77 | 1.34 | 4.56 |
| Public Sector Undertaking Tax Free Bonds | 2.14 | 1.88 | 1.56 | 1.29 |

**(iii) Foreign Currency Risk**

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

**(a) Foreign Currency Exposure:**

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

(₹ in Crore)

| PARTICULARS | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Financial Liabilities:** | | |
| Foreign Currency Loans | | |
| Japan International Corporation LTD ( JPY) | 968.62 | 1,132.22 |
| MUFG BANK ( JPY) | 721.30 | 756.77 |
| Other Financial Liabilities | 48.91 | 56.78 |
| **Net Exposure to foreign currency (liabilities)** | **1,738.83** | **1,945.77** |

Out of the above, loan from MUFG bank is hedged by derivative instrument. For balance exposure gain/(loss) on account of exchange variation is recoverable from beneficiaries as per Tariff Regulation 2019-24. Therefore, currency risk in respect of such exposure would not be very significant.

**(b) Sensitivity Analysis**

There is no impact of foreign currency fluctuations on the profit of the company as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation, therefore sensivity analysis for currency risk is not disclosed.

## (3) Capital Management

### (a) Capital Risk Management

The primary objective of the Company's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the company manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

**Statement of Gearing Ratio**

| PARTICULARS | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| (a) Total Debt (₹ in Crore) | 24,653.95 | 24,526.72 |
| (b) Total Capital (₹ in Crore) | 31,647.31 | 29,983.81 |
| Gearing Ratio (a/b) | 0.78 | 0.82 |

**Note:** For the purpose of the Company's capital management, capital includes issued capital and reserves. Net debt includes interest bearing loans and borrowings.

### (b) Loan Covenants:

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

1. Company shall maintain credit rating AAA and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating .
2. Debt to net worth should not exceed 2:1.
3. Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non Cash Expenditures+Interest Payable-Non Cash Income)/Interest Payable))
4. The gross Debt Service Coverage Ratio of the Company will no time be less than 1.25 during the currency of loan.
5 The Government of India holding in the company not to fall below 51%.
6. First Charge on Assets with 1:1.33 coverage on pari paasu basis.

### (c) Dividends: (Refer Note 15.2)

During the year the company has complied with the above loan covenants.

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **(i) Equity Shares** | | |
| Final dividend for the year 2019-20 of INR 0.32 per fully paid share approved in Sep-2020 paid in Oct-2020. (31st March 2019- INR 0.75 fully paid share for FY 2018-19). | 321.44 | 753.38 |
| Dividend Distribution Tax on Final Dividend | Nil | 101.29 * |
| Interim dividend for the year ended 31st March 2021 of INR 1.25 (31st March 2020- INR 1.18) per fully paid share. | 1,255.63 | 1185.31 |
| Dividend Distribution Tax on Interim Dividend | - | 197.49 |
| **(ii) Dividend not recognised at the end of the reporting period** | | |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.35 (31st March 2020-INR 0.32) per fully paid up Shares. The proposed dividend is subject to the approval of shareholders in the ensuring AGM. | 351.58 | 321.44 |
| Dividend Distribution Tax on Proposed Dividend | Nil | Nil |

* Adjusted with Dividend Distribution Tax on dividend received from NHDC Ltd.

## NOTE NO. 34: Other Explanatory Notes to Accounts

**1. Disclosures relating to Contingent Liabilities:**

**Contingent Liabilities to the extent not provided for -**

**a) Claims against the Company not acknowledged as debts in respect of:**

**(i) Capital works**

Contractors have lodged claims aggregating to ₹ **10099.97 Crore** (Previous year ₹ **10715.56 Crore)** against the Company on account of rate and quantity deviation, cost relating to extension of time, idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Company. These include ₹ **5772.52 Crore** (Previous year ₹ **5004.96 Crore**) towards arbitration awards including updated interest thereon, against the Company, which have been challenged/decided to be challenged in the Court of Law.

Management has assessed the above claims and recognized a provision of ₹ **412.91 Crore** (Previous year ₹ **395.89 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **9480.36 Crore** (Previous year ₹ **10069.32 Crore**) as the amount of contingent liability i.e. amounts for which Company may be held contingently liable. In respect of such estimated contingent claims either the outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

**(ii) Land Compensation cases**

In respect of land acquired for the projects, some of the erstwhile land owners have filed claims for higher compensation amounting to ₹ **238.30 Crore** (Previous year ₹ **140.29 Crore**) before various authorities/ courts. Pending settlement, the Company has assessed and provided an amount of ₹ **3.26 Crore** (Previous year ₹ **3.26 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **235.04 Crore** (Previous year ₹ **137.04 Crore**) as the amount of contingent liability as outflow of resources is considered as not probable.

**(iii) Disputed Tax Demands**

Disputed Income Tax/Sales Tax/Service Tax/ Water Cess/ Green Energy Cess/other taxes/duties matters pending before various appellate authorities amounting to ₹ **923.22 Crore** (Previous year ₹ **760.39 Crore**). Pending settlement, the Company has assessed and provided an amount of ₹ **17.52 Crore** (Previous year ₹ **17.70 Crore**) based on probability of outflow of resources embodying economic benefits and ₹ **645.25 Crore** (Previous year ₹ **641.68 Crore**) are being disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

**(iv) Others**

Claims on account of other miscellaneous matters amounting to ₹ **777.54 Crore** (Previous year ₹ **686.76 Crore**). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ **92.49 Crore** (Previous year ₹ **17.81 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **679.97 Crore** (Previous year ₹ **667.07 Crore**) as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

The above is summarized as below:

(₹ in Crore)

| Sl. No. | Particulars | Claims as on 31.03.2021 | up to date Provision against the claims | Contingent liability as on 31.03.2021 | Contingent liability as on 31.03.2020 | Addition to/ (deduction) from contingent liability during the year | Decrease of contingent liability from Opening Balance as on 01.04.2020 |
|---|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii)=(v)-(vi) | (viii) |
| 1. | Capital Works | 10099.97 | 412.91 | 9480.36 | 10,069.32* | (588.96) | 948.33 |
| 2. | Land Compen-sation cases | 238.30 | 3.26 | 235.04 | 137.04 | 98.00 | 0.25 |
| 3. | Disputed tax matters | 923.22 | 17.52 | 645.25 | 641.68 | 3.57 | 83.32 |
| 4. | Others | 777.54 | 92.49 | 679.97 | 667.07* | 12.90 | 126.44 |
| | **Total** | **12,039.03** | **526.18** | **11,040.62** | **11,515.11** | **(474.49)** | **1158.34** |

* Contingent liability amounting to ₹ 74.78 Crore has been reclassified from "Capital Work" to "Others" during the Previous Year.

(b) The above do not include contingent liabilities on account of pending cases in respect of service matters and others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) There is possibility of reimbursement to the company of ₹ **469.82 Crore** (Previous year ₹ **365.26 Crore**) against the above Contingent Liabilities.

(e) (i) An amount of ₹ **1140.45 Crore** (Previous year ₹ **697.09 Crore**) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/being challenged by the Company in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also refer Note No. 5).

(ii) An amount of ₹ **1568.68 Crore** (Previous year ₹ **1323.72 Crore**) stands paid/deposited with courts/ paid as per Court Order towards above contingent liabilities to contest the cases and has been shown under Other Non-Current/ Current Assets/adjusted against other liabilities of the claimants. (Also refer Note no. 5 and 13).

(f) The Management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

(g) Category of agency wise details of contingent liabilities as at 31.03.2021 are as under:

(₹ in Crore)

| Sl. No. | Particulars | Claims as on 31.03.2021 | up to date Provision against the claims | Contingent liability as on 31.03.2021 | Contingent liability as on 31.03.2020 | Addition to/ deduction from contingent liability during the year | Decrease of contingent liability from Opening Balance as on 01.04.2020 |
|---|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii)=(v)-(vi) | (viii) |
| 1 | Central Government departments | 333.11 | 0.83 | 71.82 | 71.17 | 0.65 | - |
| 2 | State Government departments or Local Bodies | 620.62 | 33.77 | 586.85 | 573.13 | 13.72 | 83.32 |
| 3 | Central Public Sector Enterprises (CPSEs) | 138.77 | 92.77 | 15.59 | 100.36 | (84.77) | 93.16 |
| 4 | Others | 10,946.53 | 398.81 | 10,366.36 | 10,770.45 | (404.09) | 981.86 |
| | **TOTAL** | **12,039.03** | **526.18** | **11,040.62** | **11,515.11** | **(474.49)** | **1158.34** |

(h) The Government of Sikkim vide letter dated 2nd August 2019 has raised demand on Teesta-V Power Station for ₹ **35.80 Crore** (Previous year ₹ **35.80 Crore**) towards acquisition of land and compensation for appurtenant houses and other structures on the said Land which were purportedly damaged by Dam water during FY 2014. The claim has been refuted by the management on the grounds that the land is not required by the Power station and also damages were not on account of construction activities which were completed back in FY 2008. The damage has apparently happened due to existence of old slide zones in the area. The notification for acquisition of land under the RFCTLARR Act, 2013 published in the Sikkim Government Gazette on 06.03.2018 is unilateral and without the consent of the Power Station and as such is legally not tenable. The matter is currently under discussion with the State Government and pending further review and discussion/ agreement on the matter and considering that the demand pertains to the Land which has not been requisitioned by the Company for Power Station and as such no cash outflow is expected in this respect.

**2. Contingent Assets:** Contingent assets in respect of the Company are on account of the following:

**a) Counter Claims lodged by the company on other entities:**

The company has lodged counter claims aggregating to ₹ **971.12 Crore** (Previous year ₹ **915.84 Crore**) against claims of other entities. These claims have been lodged on the basis of contractual provisions and are being contested at arbitration tribunal/other forums/under examination with the counterparty. It includes counter claims of ₹ **28.16 Crore** (Previous year ₹ **28.16 Crore**) towards arbitration awards including updated interest thereon.

Based on Management assessment,a favourable outcome is probable in respect of the claims aggregating ₹ **841.22 Crore** (Previous year ₹ **803.37 Crore**) and for rest of the claims, the possibility of any inflow is remote. Accordingly, these claims have not been recognised.

**b) Late Payment Surcharge:**

CERC (Terms and Conditions of Tariff) Regulations 2014-19/2019-24 provide for levy of Late Payment Surcharge by generating company in case of delay in payment by beneficiaries beyond specified days from the date of presentation of bill. In view of significant uncertainties in the ultimate collection from the beneficiaries, an amount of ₹ **60.94 Crore** (previous year ₹ **239.48 Crore**) as estimated by the management has not been recognised.

**c) Revenue to the extent not recognised in respect of power stations:**

Tarifforders for 2019-24 are pending in respect of all Power stations. Management has assessed that additional revenue of ₹ **4.93 Crore** (Previous year ₹ **545.31 Crore**) is likely to accrue on account of tariff revision which has not been recognised due to significant uncertainty for the approval thereof.

**d) Business Interruption Losses**

Insurance Claims due to Business Interruption Losses in respect of Power Stations are recognised when no significant uncertainty of ultimate collection exists. Management has assessed the claim of ₹ **417.57 Crore** (Previous Year ₹ **210.05 Crore**) in this respect which has not been recognised. Power Station-wise details of claims are given at Note 34(23) of the standalone Financial Statements.

**e) Other Cases**

Claims on account of other miscellaneous matters estimated by Management to be ₹ **553.04 Crore** (Previous year ₹ **374.59 Crore**) has not been recognised.

**3. Commitments (to the extent not provided for):**

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(₹ in Crore)

| Sl. No. | Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| (i) | (ii) | (iii) | (iv) |
| 1. | Property Plant and Equipment (including Capital Work in Progress) | 3263.38 | 2365.46 |
| 2. | Intangible Assets | 0.02 | - |
| | **Total** | **3263.40** | **2365.46** |

(b) The Company has commitments of ₹ **1414.47 Crore** (Previous year ₹ **1113.25 Crore**) towards further investment in the subsidiary companies as at 31st March 2021.

(c) The Company has commitments of ₹ **807.27 Crore** (Previous year ₹ **1345.64 Crore**) towards further investment in the joint venture companies as at 31st March 2021.

**4.** Pending approval of competent authority, provisional payments/provisions made towards executed quantities of works of some of the items beyond the approved quantities and/or for extra items aggregating to ₹ **0.06 Crore** (Previous year ₹ **0.41 Crore**)are included in Capital Work-in-Progress/Property, Plant and Equipment.

**5. Disclosures as per IND AS 115-'Revenue from contracts with customers':**

**(A) Nature of goods and services**

**Majority of Revenue:** The revenue of the Company comprises of income from electricity sales, sale of electricity through trading, consultancy and other services. The following is a description of the principal activities:

**(a) Revenue from sale of electricity**

The major revenue of the Company comes from sale of electricity. The Company sells electricity to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for electricity sales are as under:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Sale of electricity | The Company recognises revenue from contracts for electricity sales on the basis of long-term Power Purchase Agreements entered into with the beneficiaries, which is for substantially the entire life of the Power Stations, i.e., 40 years. Revenue from sale of electricity is accounted for based on tariff rates approved by the CERC for tariff periods of 5 years 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/approved provisionally by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of electricity is recognised once the electricity has been delivered to the beneficiary. Beneficiaries are billed on a periodic and regular basis. |

**(b) Project Management / Construction Contracts / Consultancy assignments (Projects and Consultancies)**

The Company undertakes consultancy and project execution & maintenance contracts for domestic and international clients. Services are rendered in various areas, viz. Design and engineering, procurement, project management and supervision, construction management, operation and maintenance of power plants, rural road projects and rural electrification projects.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for consultancy and other services are as under:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Consultancy services | The Company recognises revenue from contracts for consultancy services over the time as the customers simultaneously receive and consume the benefits provided by the Company. The assets (e.g. deliverables, reports etc.) transferred under the contracts do not have any alternative use to the Company and the Company has enforceable right to payment for performance completed to date. The revenue from consultancy services is determined as per the terms of the contracts. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period. |

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Rural Road Project / Rural Electrification Project | The Company recognises revenue from work done under the scheme over the time as the assets do not have alternative use to the Company and the Company has enforceable right to payment for performance completed to date. The revenue from the scheme is determined as per the terms of the contract. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period. |

**(c) Trading of Power**

The Company purchases power from Generating Companies and sells it to the Discoms. Depending on the nature and the risks and reward profile of the agreements, the Company accounts for revenue from trading of power either as an agent or as a principal.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of electricity through trading:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Sale of electricity through trading | The Company recognises revenue from contracts for sale of electricity through trading over the time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from sale of electricity through trading is determined as per the terms of the agreements. The amounts are billed as per periodicity specified in the Contract and are payable within contractually agreed credit period. |

**(B) Disaggregation of Revenue**

In the following table, revenue is disaggregated by type of product and services, geographical market and timing of revenue recognition:

(₹ in Crore)

| Particulars | Generation of electricity for the year ended (including revenue classified under Finance and Operating Leases) | | Project Management / Construction Contracts / Consultancy assignments | | Trading of Power | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Geographical markets** | **31.03.2021** | **31.03.2020** | **31.03.2021** | **31.03.2020** | **31.03.2021** | **31.03.2020** | **31.03.2021** | **31.03.2020** | **31.03.2021** | **31.03.2020** |
| India | 8,094.06 | 8,301.03 | 38.36 | 23.58 | 216.48 | 239.47 | 157.52 | 166.77 | 8,506.42 | 8,730.85 |
| Others | | | 0.16 | 4.30 | - | - | - | - | 0.16 | 4.30 |
| **Total** | **8,094.06** | **8,301.03** | **38.52** | **27.88** | **216.48** | **239.47** | **157.52** | **166.77** | **8,506.58** | **8,735.15** |
| **Timing of revenue recognition:** | | | | | | | | | | |
| Products and services transferred over time | 8094.06 | 8301.03 | 38.52 | 27.88 | 216.48 | 239.47 | 157.52 | 166.77 | 8,506.58 | 8,735.15 |
| Units Sold (MU) | 21281 | 22903 | - | - | - | - | - | - | 21281 | 22903 |

**(C) Contract Balances**

Details of trade receivables, unbilled revenue and advances from customers / clients for Deposit Works and Contract Liabilities-Project Management/Consultancy Work are as under:

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| | Current | Current |
| Trade Receivables | 3,206.02 | 3,585.12 |
| Unbilled Revenue | 1,358.67 | 2,146.83 |
| Contract Liabilities-Deposit Works | 7.53 | 9.37 |
| Contract Liabilities- Project Management/ Consultancy Work | 144.09 | 268.49 |
| Advance from Customers and Others | 32.99 | 11.70 |

The Company has recognised revenue of ₹ **NIL** (Previous Year ₹ **3.63 Crore**) from opening contract liabilities.

**(D)** Transaction price allocated to the remaining performance obligations is either not applicable or not material to the Company's operations.

**(E) Practical expedients applied as per Ind AS 115-'Revenue from Contracts with Customers':**

(i) The company has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

(ii) Company does not have any contracts in the normal course of business where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Accordingly, transaction price has been adjusted for the time value of money only where such time value of money is significant.

**(F)** The Company has not incurred any incremental cost of obtaining contracts with a customer and has therefore, not recognised any asset for such cost.

6. The effect of foreign exchange rate variation(FERV) during the year are as under:

(₹ in Crore)

| Sl. No. | Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|---|
| (i) | Amount charged to Statement of Profit and Loss as FERV | (34.21) | 49.75 |
| (ii) | Amount charged to Statement of Profit and Loss as Borrowing Cost* | - | 143.79 |
| (iii) | Amount adjusted in the carrying amount of PPE | (49.71) | - |
| (iv) | Amount recognised in Regulatory Deferral Account Balances | 1.70 | 0.99 |

* There is however no impact on profitability of the Company, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (Terms and Conditions of Tariff) Regulations 2019-24. The exchange rate variation included under borrowing cost for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per Significant Accounting Policy of the Company.

**7. Operating Segment:**

a) Electricity generation (including income from embedded Finance/Operating leases) is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Power Trading Business do not form a reportable segment as per the Ind AS – 108 on 'Operating Segment'.

b) The Company has a single geographical segment as all its Power Stations are located within the Country.

c) Information about major customers: Revenue of ₹ **4987.24 Crore** (Previous year ₹ **4810.80 Crore**) is derived from following customers as per details below:

| Sl. No. | Name of Customer | Revenue from customer (₹ In Crore) | | Revenue from customer as a % of total revenue | |
|---|---|---|---|---|---|
| | | For the year ended 31.03.2021 | For the year ended 31.03.2020 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
| 1 | Uttar Pradesh Power Corporation Limited. | 1463.35 | 1616.62 | 17.20% | 18.51% |
| 2 | Power Development Department , Jammu & Kashmir Govt./ JK Power Corporation Limited | 1452.30 | 1479.07 | 17.07% | 16.93% |
| 3 | West Bengal State Electricity Board | 1302.30 | 865.67 | 15.31% | 9.91% |
| 4 | Punjab State Power Corporation Limited | 769.29 | 849.44 | 9.04% | 9.72% |
| | **Total** | **4,987.24** | **4810.80** | **58.62%** | **55.07%** |

d) Revenue from External Customers: The Company is domiciled in India. The amount of its revenue from external customer is as under:

(₹ in crore)

| Sl. No | Revenue from External Customers | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|---|
| 1 | Bhutan | 0.16 | 4.30 |
| | **Total** | **0.16** | **4.30** |

**Note:** Above includes amount in foreign currency ₹ NIL (Previous year ₹ NIL).

**8. Disclosures under Ind AS-24 "Related Party Disclosures":**

**(A) List of Related parties:**

**(i) Subsidiaries:**

| Name of Companies | Principle place of operation |
|---|---|
| NHDC Limited (NHDC) | India |
| Loktak Downstream Hydroelectric Corporation Limited (LDHCL) | India |
| Bundelkhand Saur Urja Limited (BSUL) | India |
| LancoTeesta Hydro Power Limited (LTHPL) with effect from 09.10.2019 | India |
| Jal Power Corporation Limited (JPCL) with effect from 31.03.2021 | India |

**(ii) Joint Ventures:**

| Name of Companies | Principle place of operation |
|---|---|
| National High Power Test Laboratory (P) Ltd. (NHPTL) | India |
| Chenab Valley Power Projects Private Ltd. (CVPPL) | India |

**(iii) Key Managerial Personnel:**

| Sl. No. | Name | Position Held |
|---|---|---|
| 1 | Shri Abhay Kumar Singh | Chairman and Managing Director |
| 2 | Shri Nikhil Kumar Jain | Director (Personnel) |
| 3 | Shri Yamuna Kumar Chaubey | Director (Technical)(Appointed on 01.04.2020) |
| 4 | Shri Rajendra Prasad Goyal | Director (Finance) and CFO (Appointed on 01.10.2020) |
| 5 | Shri Mahesh Kumar Mittal | Director (Finance) and CFO (Retired on 30.09.2020) |

| Sl. No. | Name | Position Held |
|---|---|---|
| 6 | Shri Biswajit Basu | Director (Projects) (Appointed on 01.01.2021) |
| 7 | Shri Ratish Kumar | Director (Projects)(Retired on 31.12.2020) |
| 8 | Shri Tanmay Kumar | Govt. Nominee Director (Joint Secretary, Ministry of Power) (Appointed on 11.06.2020) |
| 9 | Shri Bhagwat Prasad | Independent Director (Retired on 07.09.2020) |
| 10 | Shri Jugal Kishore Mohapatra | Independent Director (Retired on 07.09.2020) |
| 11 | Shri Aniruddha Kumar | Govt. Nominee Director (Retired on 29.05.2020) |
| 12 | Shri Saurabh Chakravorty | Company Secretary (Appointed on 11.02.2021) |
| 13 | Shri Vijay Gupta | Company Secretary (Ceased on 16.01.2021) |

**(iv) Post-Employment Benefit Plans :**

| Name of Related Parties | Principle place of operation |
|---|---|
| NHPC Limited Employees Provident Fund | India |
| NHPC Limited Employees Group Gratuity Assurance Fund | India |
| NHPC Limited Retired Employees Health Scheme Trust | India |
| NHPC Limited Employees Social Security Scheme Trust | India |
| NHPC Limited Employees Defined Contribution Superannuation Scheme Trust | India |
| NHPC Limited Employee Leave Encashment Trust | India |

**(v) Other entities with joint-control or significant influence over the Company:**

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. The Company has applied the exemption available for government related entities and has made limited disclosures in the Financial Statements in accordance with Ind AS-24. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

| Sl. No. | Name of the Government | Nature of Relationship with NHPC |
|---|---|---|
| 1 | Government of India | Shareholder having control over company |
| 2 | Various Central Public Sector Enterprises and Other Govt. Controlled entities (BHEL, IOCL, POSOCO, SAIL, New India Assurance Company, Damodar Valley Corporation, PGCIL, REC, BSNL, EESL, KV, Balmer Lawrie & Co. Ltd. etc.) | Entities controlled by the same Government (Central Government) that has control over NHPC |

**(B) Transactions with related parties are as follows:**

**(i) Transactions with Subsidiaries**

(₹ in crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| Services provided by the Company | | |
| • NHDC | 0.03 | 0.53 |
| • BSUL | 0.00 | 0.02 |
| • LDHCL | 1.29 | 0.28 |
| • LTHPL | 14.92 | 3.09 |

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| Dividend received by the company | | |
| • NHDC | 283.68 | 485.17 |
| Equity contributions (including share application money) by the company | | |
| • BSUL | 39.40 | 1.00 |
| • LDHCL | 8.61 | 3.20 |
| • LTHPL | 75.00 | 920.50 |
| • JPCL | 165.00 | - |
| Reimbursement of Cost of employee on deputation/ Posted at | | |
| • NHDC | 1.91 | 2.56 |
| • BSUL | 0.17 | 0.19 |
| • LDHCL | 0.03 | 0.41 |
| • LTHPL | 1.28 | 0.98 |
| Other Reimbursement by the Company | | |
| • LTHPL | - | 5.45 |

**(ii) Transactions with Joint Ventures**

(₹ in crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| Services Provided by the Company | | |
| • CVPPL | 23.33 | 20.25 |
| Equity contributions (including share application money) by the company | | |
| • CVPPL | 500.00 | 140.45 |
| Reimbursement of Cost of employee on deputation/ Posted at | | |
| • CVPPL | 2.81 | 3.25 |
| Loan given by the company | | |
| • NHPTL | 12.40 | - |
| Interest on Loan given by the company | | |
| • NHPTL | 0.60 | 0.60 |

**(iii) Compensation to Key Management Personnel:**

(₹ in crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Short Term Employee Benefits | 4.56 | 4.76 |
| Post-Employment Benefits | 1.12 | 0.72 |
| Other Long Term Benefits | 0.93 | 0.28 |

| Other transactions with KMP | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Sitting Fees and other reimbursements to non-executive/independent directors | 0.05 | 0.24 |
| Interest Received during the year | 0.03 | 0.01 |

**(iv) Transactions with other related parties-Post Employment Benefit Plans**

(₹ in crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| Contribution to EPF Trust | 360.79 | 460.70 |
| Contribution to Gratuity Trust/(Net of Refund from Trust) | (82.92) | (83.60) |
| Contribution to REHS Trust/(Net of Refund from Trust) | 33.81 | (88.83) |
| Contribution to Social Security Scheme Trust | 5.93 | 6.62 |
| Contribution to EDCSS Trust | 136.72 | 194.50 |
| Contribution to Leave Encashment (Net of Refund from Trust) | (8.09) | 34.14 |

**(v) Transactions with Government that has control over the Company- Central Government** (This includes transactions with various Ministries, CISF etc.)

(₹ in crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| Services Received by the Company | 335.83 | 333.19 |
| Services Provided by the Company | 19.20 | 1.94 |
| Sale of goods/Inventory made by the Company | 25.70 | 27.61 |
| Purchase of Construction Materials, Stores., etc. | - | - |
| Dividend Paid during the year | 1118.90 | 1393.41 |
| Subordinate Debts received by the company | 65.31 | 554.64 |
| Interest on Subordinate debts paid by company (including interest accrued) | 70.64 | 69.71 |
| Guarantee Fee on Foreign Loans to Govt. of India | 13.59 | 13.43 |
| Interest received on account of 8.12% NHPC GOI Fully Serviced Bonds Issued on mandate of MOP and paid to GOI (including Interest Accrued) | 163.58 | 164.01 |

**(vi) Transactions with entities controlled by the Government that has control over the Company**

(₹ in crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| Purchase of property/Other assets | 60.08 | 87.79 |
| Purchase of Construction Materials, Stores., etc. | 131.05 | 36.48 |
| Services Received by the Company | 171.16 | 188.64 |
| Services Provided by the Company | 0.69 | 1.64 |
| Sale of goods/Inventory made by the company | 73.11 | 79.21 |
| Settlement of claim/Amount received by the company against Insurance Claims | 23.25 | 56.39 |

**(C) Outstanding balances and guarantees with Related Parties:**

(₹ in crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Balances with Subsidiaries (NHDC, LDHCL, BSUL and LTHPL)** | | |
| • Receivables | 4.13 | 9.11 |
| • Payables | 2.14 | 5.44 |
| **Balances with Joint Ventures (CVPPL and NHPTL)** | | |
| • Receivables | 54.07 | 42.94 |
| • Loan Outstanding (including interest accrued) | 18.82 | 6.27 |
| **Balances with KMP** | | |
| • Receivables | 0.28 | 0.05 |
| **Balances with Trust created for post-employment benefit plans of NHPC** | | |
| **Receivable** | | |
| • Gratuity Trust | 58.14 | 40.30 |
| • REHS Trust | 95.26 | 135.52 |
| • Leave Encashment Trust | 49.51 | - |
| **Payable** | | |
| • EPF Trust | - | 28.00 |
| • Social Security Scheme Trust | 0.48 | 0.52 |
| • EDCSS Trust | 51.16 | 9.97 |
| • Leave Encashment Trust | - | 1.78 |
| **Balances with Government that has control over the Company** | | |
| • Payables | 84.17 | 77.37 |
| • Receivables | 96.64 | 50.84 |
| • Loan from Government (Subordinate debts) | 4783.41 | 4741.21 |
| • 8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest accrued) | 2021.69 | 2021.68 |
| **Guarantee Received from Government (Against Foreign Currency Borrowing)** | 968.62 | 1132.22 |
| **Balances with Entities controlled by the Government that has control over the Company** | | |
| • Payables | 65.38 | 60.65 |
| • Receivables | 186.65 | 90.23 |
| • Balances Out of Commitments | 0.57 | 0.29 |

**(D) Other notes to related party transactions:**

**(i) Terms and conditions of transactions with the related parties:**

(a) Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms-length basis (except subordinate debts received from Central Government at concessional rate) through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

(b) Unsecured loan of ₹ **18.40 crore** (Previous Year ₹ **6.00 crore**) granted to NHPTL is interest bearing @ 10% to be compounded annually.

(c) 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.

(d) Outstanding balances of subsidiary and joint venture companies as at 31.03.2021 are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. No impairment of receivables relating to amounts owed by related parties has been recognised. Assessment of impairment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**(ii)** The commitments towards further investment in the subsidiary and joint venture companies are disclosed at Note 34(3).

**(iii)** Contributions to post-employment benefit plans are net of refunds from trusts.

**9. Particulars of Security:** The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.

(₹ in Crore)

| Sl. No | Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| | **First Charge** | | |
| 1 | Property Plant and Equipment | 9,763.04 | 11,617.29 |
| 2 | Capital Work In Progress | 10,782.38 | 7,898.75 |
| 3 | Financial Assets-Others | 1,155.07 | - |
| | **Total** | **21,700.49** | **19,516.04** |

**10. Disclosures Under Ind AS-19-"Employee Benefits":**

**(A) Defined Contribution Plans-**

**(i) Social Security Scheme:** The Company has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution was to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007, which has been extended up to 31.05.2022. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the year towards social security scheme are ₹ **2.96 Crore** (Previous year 3.27 Crore).

**(ii) Employees Defined Contribution Superannuation Scheme (EDCSS):** The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay and Dearness Allowance. The company contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity Trust and REHS Trust, from the amount worked out @ 30% of the Basic Pay and DA. The Scheme is managed by Life Insurance Corporation of India. The expenses recognised during the year towards Employees Defined Contribution Superannuation Scheme (EDCSS) are ₹ **96.69 Crore** (Previous year ₹ **80.87 Crore**).

**(B) Defined Benefit Plans-** Company has following defined post-employment benefit obligations :

**(a) Description of Plans:**

**(i) 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 contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit and Loss/Expenditure Attributable to Construction. The obligation of the Company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India (GoI).

**(ii) Gratuity:** The Company has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to get 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. The plan is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.

**(iii) Retired Employees Health Scheme (REHS):** The Company has a Retired Employee Health Scheme, under which retired employee and/or spouse of retiree and eligible dependent children of deceased/ retired employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. The liability for the same is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on such actuarial valuation.

**(iv) Allowances on Retirement/Death:** Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Company. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actuarial valuation.

**(v) Memento to employees on attaining the age of superannuation:** The Company has a policy of providing Memento valuing ₹ 10,000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation

**(b) Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:**

**(i) Provident Fund :** Movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | **(i)** | **(ii)** | **iii=(i)-(ii)** |
| | | **2020-21** | |
| **Opening Balance as at 01.04.2020** | **2870.09** | **2884.12** | **(14.03)** |
| Current Service Cost | 97.13 | - | 97.13 |
| Interest Expenses/ (Income) | 240.10 | 240.10 | - |
| **Total** | **337.23** | **240.10** | **97.13** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Re-measurements** | | | |
| Return on Plan Assets, excluding amount included in interest expenses/(Income) | - | (3.76) | 3.76 |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.09 | - | 0.09 |
| Experience (gains)/Losses | 2.07 | 0.00 | 2.07 |
| **Total** | **2.16** | **(3.76)** | **5.92** |
| Contributions:- | | | |
| -Employers | - | 97.13 | (97.13) |
| -Plan participants | 315.69 | 315.69 | - |
| Benefit payments | (531.01) | (531.01) | - |
| **Closing Balance as at 31.03.2021** | **2994.16** | **3002.27** | **(8.11)** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Opening Balance as at 01.04.2019** | **2552.12** | **2623.76** | **(71.64)** |
| Current Service Cost | 126.14 | - | 126.14 |
| Interest Expenses/ (Income) | 229.37 | 229.37 | 0.00 |
| **Total** | **355.51** | **229.37** | **126.14** |
| **Re-measurements** | | | |
| Return on Plan Assets, excluding amount included in interest expenses/(Income) | - | 4.31 | (4.31) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.21 | - | 0.21 |
| Experience (gains)/Losses | 61.71 | - | 61.71 |
| **Total** | **61.92** | **4.31** | **57.61** |
| Contributions:- | | | |
| -Employers | - | 126.14 | (126.14) |
| -Plan participants | 332.79 | 332.79 | 0.00 |
| Benefit payments | (432.25) | (432.25) | 0.00 |
| **Closing Balance as at 31.03.2020** | **2870.09** | **2884.12** | **(14.03)** |

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Present Value of funded obligations | 2994.15 | 2870.09 |
| Fair value of Plan Assets | 3002.26 | 2884.12 |
| **Deficit/(Surplus) of funded plans** | **(8.11)** | **(14.03)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **(8.11)** | **(14.03)** |

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 ₹ **8.11 Crore** determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the company.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 0.006% | 0.006% | Increase by | 0.006% | 0.006% |

**(ii) Gratuity:** The amount recognised in the Balance Sheet as at 31.03.2021 and 31.03.2020 along with the movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **644.12** | **673.86** | **(29.74)** |
| Current Service Cost | 16.03 | - | 16.03 |
| Interest Expenses/ (Income) | 43.67 | 45.69 | (2.02) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **59.70** | **45.69** | **14.01** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/ (Income) | - | (4.13) | 4.13 |
| (Gain)/loss from change in demographic assumptions | (0.89) | - | (0.89) |
| (Gain)/loss from change in financial assumptions | 9.03 | - | 9.03 |
| Experience (gains)/Losses | (7.83) | - | (7.83) |
| **Total Amount recognised in Other Comprehensive Income** | **0.31** | **(4.13)** | **4.44** |
| Contributions:- | | | |
| -Employers | - | 52.88 | (52.88) |
| -Plan participants | - | - | - |
| Benefit payments | (101.38) | (117.96) | 16.58 |
| **Closing Balance as at 31.03.2021** | **602.75** | **650.34** | **(47.59)** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Opening Balance as at 01.04.2019** | **673.58** | **741.20** | **(67.62)** |
| Current Service Cost | 17.78 | - | 17.78 |
| Interest Expenses/ (Income) | 50.92 | 56.04 | (5.12) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **68.70** | **56.04** | **12.66** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/ (Income) | - | (2.09) | 2.09 |
| (Gain)/loss from change in demographic assumptions | 0.61 | - | 0.61 |
| (Gain)/loss from change in financial assumptions | 30.45 | - | 30.45 |
| Experience (gains)/Losses | (12.87) | - | (12.87) |
| **Total Amount recognised in Other Comprehensive Income** | **18.19** | **(2.09)** | **20.28** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (116.35) | (121.29) | 4.94 |
| **Closing Balance as at 31.03.2020** | **644.12** | **673.86** | **(29.74)** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.84 Crore** (previous year ₹ **1.21 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Present Value of funded obligations | 602.75 | 644.12 |
| Fair value of Plan Assets | 650.34 | 673.86 |
| **Deficit/(Surplus) of funded plans** | **(47.59)** | **(29.74)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **(47.59)** | **(29.74)** |

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 3.23% | 3.08% | Increase by | 3.44% | 3.28% |
| Salary growth rate | 0.50% | 0.50% | Increase by | 0.40% | 0.44% | Decrease by | 0.47% | 0.51% |

**(iii) Retired Employees Health Scheme (REHS):** The amount recognised in the Balance Sheet as at 31.03.2021 and 31.03.2020 along with the movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **842.87** | **978.64** | **(135.77)** |
| Current Service Cost | 16.79 | - | 16.79 |
| Interest Expenses/ (Income) | 57.15 | 66.06 | (8.91) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **73.94** | **66.06** | **7.88** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | 5.63 | (5.63) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 29.31 | - | 29.31 |
| Experience (gains)/Losses | 36.17 | - | 36.17 |
| **Total Amount recognised in Other Comprehensive Income** | **65.48** | **5.63** | **59.85** |
| Contributions:- | | | |
| -Employers | - | (6.45) | 6.45 |
| -Plan participants | - | - | - |
| Benefit payments | (33.93) | - | (33.93) |
| **Closing Balance as at 31.03.2021** | **948.36** | **1043.88** | **(95.52)** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Opening Balance as at 01.04.2019** | **857.76** | **855.69** | **2.07** |
| Current Service Cost | 16.48 | - | 16.48 |
| Interest Expenses/ (Income) | 64.85 | 64.69 | 0.16 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **81.33** | **64.69** | **16.64** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | 9.25 | (9.25) |
| (Gain)/loss from change in demographic assumptions | (0.19) | - | (0.19) |
| (Gain)/loss from change in financial assumptions | 72.34 | - | 72.34 |
| Experience (gains)/Losses | (135.78) | - | (135.78) |
| **Total Amount recognised in Other Comprehensive Income** | **(63.63)** | **9.25** | **(72.88)** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| Contributions:- | | | |
| -Employers | - | 80.12 | (80.12) |
| -Plan participants | - | - | - |
| Benefit payments | (32.59) | (31.11) | (1.48) |
| **Closing Balance as at 31.03.2020** | **842.87** | **978.64** | **(135.77)** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Construction and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **1.04 Crore** (previous year ₹ **1.17 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Present Value of funded obligations | 948.36 | 842.87 |
| Fair value of Plan Assets | 1043.88 | 978.64 |
| **Deficit/(Surplus) of funded plans** | **(95.52)** | **(135.77)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **(95.52)** | **(135.77)** |

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Increase in Assumption | | | Decrease in Assumptions | | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 6.68% | 6.75% | Increase by | 6.74% | 6.81% |
| Medical Cost Rate | 0.50% | 0.50% | Increase by | 6.75% | 6.82% | Decrease by | 6.70% | 6.75% |

**(iv) Allowances on Retirement/Death:** The amount recognised in the Balance Sheet as at 31.03.2021 and 31.03.2020 along with the movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **4.93** | **-** | **4.93** |
| Current Service Cost | 0.21 | - | 0.21 |
| Interest Expenses/ (Income) | 0.33 | - | 0.33 |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.54** | **-** | **0.54** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.09 | - | 0.09 |
| Experience (gains)/Losses | (0.37) | - | (0.37) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.28)** | **-** | **(0.28)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.36) | - | (0.36) |
| **Closing Balance as at 31.03.2021** | **4.83** | **-** | **4.83** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Opening Balance as at 01.04.2019** | **4.89** | **-** | **4.89** |
| Current Service Cost | 0.21 | - | 0.21 |
| Interest Expenses/ (Income) | 0.37 | - | 0.37 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.58** | **-** | **0.58** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | (0.00) | - | (0.00) |
| (Gain)/loss from change in financial assumptions | 0.36 | - | 0.36 |
| Experience (gains)/Losses | (0.59) | - | (0.59) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.23)** | **-** | **(0.23)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.31) | - | (0.31) |
| **Closing Balance as at 31.03.2020** | **4.93** | **-** | **4.93** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.01 Crore** (previous year ₹ **0.01 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

The net liability disclosed above related to unfunded plans.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | | Impact on Defined Benefit Obligation | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 3.98% | 4.49% | Increase by | 4.43% | 5.66% |
| Cost Increase | 0.50% | 0.50% | Increase by | 4.53% | 5.91% | Decrease by | 4.13% | 4.78% |

**(v) Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2021 and 31.03.2020 along with the movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **3.38** | **-** | **3.38** |
| Current Service Cost | 0.13 | - | 0.13 |
| Interest Expenses/ (Income) | 0.23 | - | 0.23 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.36** | **-** | **0.36** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.05 | - | 0.05 |
| Experience (gains)/Losses | (0.16) | - | (0.16) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.11)** | **-** | **(0.11)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.51) | - | (0.51) |
| **Closing Balance as at 31.03.2021** | **3.12** | **-** | **3.12** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Opening Balance as at 01.04.2019** | **3.57** | **-** | **3.57** |
| Current Service Cost | 0.13 | - | 0.13 |
| Interest Expenses/ (Income) | 0.27 | - | 0.27 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.40** | **-** | **0.40** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.19 | - | 0.19 |
| Experience (gains)/Losses | (0.30) | - | (0.30) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.11)** | **-** | **(0.11)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.48) | - | (0.48) |
| **Closing Balance as at 31.03.2019** | **3.38** | **-** | **3.38** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.01 Crore** (previous year ₹ **0.01 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

The net liability disclosed above related to unfunded plans.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 3.19% | 4.59% | Increase by | 3.36% | 4.85% |

**(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:**

| Particulars | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Discount Rate | 6.55% | 6.78% |
| Salary growth rate | 6.50% | 6.50% |

**(d) The major categories of Plan Assets are as follows:**

**Provident Fund:**

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 1,745.52 | - | **1,745.52** | 58.19 |
| Corporate Bonds | 1,048.17 | - | **1,048.17** | 34.94 |
| **Investment Funds** | | | | |
| Mutual Funds | 62.60 | - | **62.60** | 2.09 |
| **Cash and Cash Equivalents** | **-** | 79.01 | **79.01** | 2.63 |
| **Accrued Interest** | **64.63** | **-** | **64.63** | 2.15 |
| **Total** | **2920.92** | **79.01** | **2,999.93** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2020 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 1,687.94 | - | **1,687.94** | 58.53 |
| Corporate Bonds | 1,024.48 | - | **1,024.48** | 35.52 |
| **Investment Funds** | | | | |
| Mutual Funds | 70.04 | - | **70.04** | 2.43 |
| **Cash and Cash Equivalents** | **-** | 29.74 | **29.74** | 1.03 |
| **Accrued Interest** | **71.92** | - | **71.92** | 2.49 |
| **Total** | **2854.38** | **29.74** | **2,884.12** | **100.00** |

**Gratuity**

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Investment Funds** | | | | |
| LIC Scheme | - | 650.33 | **650.33** | 100.00 |
| **Cash and Cash Equivalents** | - | - | **-** | - |
| **Total** | **-** | **650.33** | **650.33** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2020 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Investment Funds** | | | | |
| LIC Scheme | - | 673.85 | **673.85** | 100.00 |
| **Cash and Cash Equivalents** | - | 0.01 | **0.01** | 0.00 |
| **Total** | **-** | **673.86** | **673.86** | **100.00** |

**Retired Employees Health Scheme (REHS):**

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | - | - | - | - |
| Corporate Bonds | 497.81 | - | **497.81** | 47.74 |
| LIC Scheme | - | 528.49 | **528.49** | 50.69 |
| **Cash and Cash Equivalents** | - | 0.01 | **0.01** | - |
| **Accrued Interest** | 16.36 | - | **16.36** | 1.57 |
| **Total** | **514.17** | **528.50** | **1,042.67** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2020 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | - | - | - | - |
| Corporate Bonds | 712.97 | - | **712.97** | 72.85 |
| LIC Scheme | - | 247.18 | **247.18** | 25.26 |
| **Cash and Cash Equivalents** | - | 0.01 | **0.01** | 0.001 |
| **Accrued Interest** | 18.48 | - | **18.48** | 1.89 |
| **Total** | **731.45** | **247.19** | **978.64** | **100.00** |

(e) **Risk Exposure:** Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the company is exposed to various risks as follows:

A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets-liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(f) **Defined benefit liability and employer contributions:** Funding levels are monitored on an annual basis and the current contribution rate is 30% of basic salary and dearness allowance. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to defined-benefit plans for the year ending March 31, 2022 are ₹ **127.70 Crore**.

The weighted average duration of the defined benefit obligations is 10.39 Years (2019-2020: 10.15 years).

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

**The expected maturity analysis of Provident Fund (NHPC Ltd. Employees Provident Fund)**

(₹ in Crore)

| Particulars | Between 0-1 year | Between 1-5 years | Between 5-10 years | Over 10 years | Total |
|---|---|---|---|---|---|
| 31.03.2021 | 528.87 | 921.05 | 570.54 | 973.69 | 2,994.15 |
| 31.03.2020 | 492.66 | 970.83 | 439.60 | 967.00 | 2870.09 |

**The expected maturity analysis of Gratuity (NHPC Ltd. Employees Group Gratuity Assurance Fund), Post employment Medical Benefits (NHPC Ltd. Retired Employees Health Scheme Trust), Allowances on Retirement/Death and Memento.**

(₹ in Crore)

| Particulars | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **31.03.2021** | | | | | |
| Gratuity | 90.80 | 74.66 | 139.80 | 297.49 | 602.75 |
| Post-employment Medical Benefits (REHS) | 34.93 | 41.11 | 147.53 | 698.14 | 921.71 |
| Allowances on Retirement/Death | 0.61 | 0.53 | 1.09 | 2.60 | 4.83 |
| Memento to employees on attaining the age of superannuation | 0.48 | 0.39 | 0.73 | 1.52 | 3.12 |
| **TOTAL** | **126.82** | **116.69** | **289.15** | **999.75** | **1,532.41** |
| **31.03.2020** | | | | | |
| Gratuity | 96.91 | 84.54 | 167.14 | 295.53 | 644.12 |
| Post-employment Medical Benefits (REHS) | 29.96 | 38.85 | 135.64 | 638.42 | 842.87 |
| Allowances on Retirement/Death | 0.62 | 0.57 | 1.24 | 2.50 | 4.93 |
| Memento to employees on attaining the age of superannuation | 0.52 | 0.45 | 0.88 | 1.53 | 3.38 |
| **TOTAL** | **128.01** | **124.41** | **304.90** | **937.98** | **1495.30** |

**(C)** **Other long-term employee benefits (Leave Benefit):** The Company provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. Earned Leave (EL) is also encashable while in service. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be fulfilled by half pay leave to that extent. The liability for the same is recognised on the basis of actuarial valuation. The expenses recognised during the year on the basis of actuarial valuation are ₹ **64.15 Crore** (Previous Year ₹ **101.02 Crore**)

**11.** Particulars of income and expenditure in foreign currency and consumption of spares are as under:-

(₹ in Crore)

| Sl. No | Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|---|
| a) | Expenditure in Foreign Currency | | |
| | i) Interest | 26.50 | 25.29 |
| | ii) Other Misc. Matters | 5.26 | 81.28 |
| b) | Value of spare parts and Components consumed in operating units. | | |
| | i) Imported | - | - |
| | ii) Indigenous | 19.78 | 18.74 |

**12. Earnings Per Share:**

a) The Earnings Per Share (Basic and Diluted) are as under:

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Earnings per Share before Regulatory Income (₹) – Basic and Diluted | 2.99 | 2.65 |
| Earnings per Share after Regulatory Income (₹) – Basic and Diluted | 3.22 | 2.99 |
| Par value per share (₹) | 10 | 10 |

b) Reconciliation of Earning used in calculating Earnings Per Share:

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore) | 3006.28 | 2663.56 |
| Net Profit after Tax and Regulatory Income used as numerator (₹ in crore) | 3233.37 | 3007.17 |

c) Reconciliation of weighted average number of shares used as denominator :

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Weighted Average number of equity shares used as denominator | 10045034805 | 10045034805 |

**13. Disclosure related to Confirmation of Balances is as under :**

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, loans (other than employees), advances for Capital expenditure, Trade Receivable, Advances to Contractors, Trade Payable and Deposits/Earnest money from contractors other than as given at (b) below are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.

(b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, loans (other than employees), Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors have been sought for outstanding balances of ₹ **0.05 crore** or above in respect of each party as at 31st December, 2020. Status of confirmation of balances as at December 31, 2020 as well as amount outstanding as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars | Outstanding amount as on 31.12.2020 | Amount confirmed | Outstanding amount as on 31.03.2021 |
|---|---|---|---|
| Trade receivable (including interest receivable from Beneficiaries) | 4213.00 | 2785.30 | 3347.44 |
| Deposits, Loans, Advances to contractors/ suppliers/ service providers/ others including for capital expenditure and material issued to contractors | 2240.66 | 695.14 | 2348.77 |
| Trade/Other payables | 485.85 | 54.99 | 650.42 |
| Security Deposit/Retention Money payable | 325.69 | 27.17 | 374.25 |

(c) In the opinion of the management, unconfirmed balances will not require any adjustment having any material impact on the Financial Statements of the Company.

**14. Disclosure related to Corporate Social Responsibility (CSR) (Refer Note 29)**

(i) The breakup of CSR expenditure under various heads of expenses incurred is as below:-

(₹ in Crore)

| Sl. No | Heads of Expenses constituting CSR expenses | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|---|
| 1 | Health Care and Sanitation | 13.69 | 16.29 |
| 2 | Education and Skill Development | 38.09 | 57.96 |
| 3 | Women Empowerment /Senior Citizen | 0.09 | 0.36 |
| 4 | Environment | 0.92 | 3.31 |
| 5 | Art and Culture | 0.10 | 0.15 |
| 6 | Ex-Armed Forces | - | 1.00 |
| 7 | Sports | 0.02 | 0.43 |
| 8 | Rural Development | 3.39 | 9.00 |
| 9 | Capacity Building | - | 0.12 |
| 10 | SwachhVidyalayaAbhiyan | - | 0.53 |
| 11 | Swachh Bharat Abhiyan | 3.74 | 6.26 |
| 12 | Disaster Management ( including Contribution to PM CARES Fund) | 15.86 | 25.00 |
| 13 | Administrative Overhead | 3.73 | 6.02 |
| | **Total Amount** | **79.63** | **126.43** |

(ii) Other disclosures:-

(a) Details of expenditure incurred during the year paid in cash and yet to be paid in cash along with the nature of expenditure (capital or revenue nature) is as under:-

(₹ in Crore)

| | Purpose | For the year ended 31.03.2021 | | | For the year ended 31.03.2020 | | |
|---|---|---|---|---|---|---|---|
| | | Paid in cash | Yet to be paid in cash (b) | Total (a+b) | Paid in cash | Yet to be paid in cash (b) | Total (a+b) |
| (i) | Construction/ Acquisition of any asset | 9.87 | 1.55 | 11.42 | 12.96 | 1.52 | 14.48 |
| (ii) | For purpose other than (i) above | 66.79 | 1.42 | 68.21 | 109.61 | 2.34 | 111.95 |
| | **Total** | **76.66** | **2.97** | **79.63** | **122.57** | **3.86** | **126.43** |

(b) As stated above, a sum of ₹ **2.97 Crore** out of the total expenditure of ₹ **79.63 crore** is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

(iii) Above expenditure includes contribution towards PM Cares Fund amounting to ₹ **15.00 Crore** which was paid during F.Y. 2019-20 and shown as advance as on 31.03.2020.

(iv) As per Section 135 read with Section 198 of Companies Act 2013, the amount required to be spent towards CSR is ₹ **59.43 Crore** for financial year 2020-21 (based on 2% of average net profit of preceding three financial years).However, the Company has spent an amount of ₹ **79.63 Crore** towards CSR for the financial year 2020-21. The excess amount of ₹ **20.20 Crore** spent on CSR during FY 2020-21 is available for carry forward over the next three financial years.

(v) The Board of Directors had allocated a total budget of ₹ **94.77 Crore** towards CSR for financial year 2020-21.

**15.** Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 read with notification of Ministry of Corporate Affairs dated 11th October, 2018 to the extent information available with management are as under:

(₹ in Crore)

| Sl. No. | Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| (i) | The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date: | | |
| | a) Trade Payables: | | |
| | - Principal (Refer Note 20.2) | 30.94 | 18.85 |
| | - Interest | - | - |
| | b) Others: | | |
| | - Principal(Refer Note 20.3) | 7.73 | 8.88 |
| | - Interest | - | - |
| (ii) | The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| (iii) | The amount of interest due and payable for the year 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 Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| (iv) | The amount of interest accrued and remaining unpaid as on Balance Sheet date. | - | - |
| (v) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

**16. Disclosures regarding leases as per IND AS-116 "Leases":**

**A) Company as Lessee:**

**(i) Treatment of Leases as per Ind AS-116 :**

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company has applied the following practical expedients on initial application of Ind AS 116:

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c. Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.

d. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The weighted average incremental borrowing rate applied to leases recognised during FY 2020-21 is 6.83%.

**(ii) Nature of lease:** The Company's significant leasing arrangements are in respect of the following assets:

(a) Premises under cancellable lease arrangements for residential use of employees ranging from 3-4 months to three years.

(b) Premises for offices, guest houses and transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(c) Land obtained on lease for construction of projects and / or administrative offices.

(d) Vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable.

(iii) Amount recognised in the Statement of Profit and Loss/ Expenditure Attributable to Construction in respect of short term, low value and variable lease are as under:

(₹ in Crore)

| Sl. No | Description | 31.03.2021 | 31.03.2020 |
|---|---|---|---|
| 1 | Expenditure on short-term leases | 14.70 | 16.58 |
| 2 | Expenditure on lease of low-value assets | 0.02 | 0.14 |
| 3 | Variable lease payments not included in the measurement of lease liabilities | 4.51 | 5.61 |

(iv) Commitment for Short Term Leases as on 31.03.2021 is ₹ **3.72 Crore** (Previous Year ₹ **4.30 Crore**).

(v) Movement in lease liabilities during the year:

(₹ in Crore)

| Paraticulars | 31.03.2021 | 31.03.2020 |
|---|---|---|
| Opening Balance | 13.91 | 14.90 |
| Additions in lease liabilities | 2.61 | 2.28 |
| Finance cost accrued during the year | 1.10 | 1.17 |
| Less: Payment of lease liabilities | 4.97 | 4.45 |
| **Closing Balance** | **12.65** | **13.91** |

**B) Finance Lease – Company as Lessor**

**(i) Nimoo Bazgo and Chutak Power Stations as Finance Lease**

The Company has entered into lease arrangement with a single beneficiary, Power Development Department, Jammu & Kashmir for sale of the entire power generated by two power stations, namely Nimoo Bazgo and Chutak Power Stations for the substantial period of the stipulated life of these Power Stations. Under the agreements, the customer is obliged to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). Other financial assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the embedded finance lease arrangements entered into by the company.

The Company has earned "Income from Finance Lease" of ₹ **197.16 Crore** during the year (previous year ₹ **203.65 Crore**).

**The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as at 31.03.2021:**

(₹ in Crore)

| Paraticulars | 31.03.2021 | 31.03.2020 |
|---|---|---|
| **undiscounted lease payments receivable:** | | |
| Less than one year | 246.32 | 248.21 |
| One to two years | 244.74 | 246.32 |
| Two to three years | 240.60 | 244.74 |
| Three to four years | 238.37 | 240.60 |
| Four to five years | 197.75 | 238.37 |
| More than five years | 4,202.05 | 4,399.83 |
| **Total undiscounted lease payments receivable** | **5,369.83** | **5,618.07** |
| Add: unguaranteed residual value | 188.67 | 188.47 |
| Less: Unearned finance income | 4,184.99 | 4,370.31 |
| **Net investment in the lease** | **1373.51** | **1,436.23** |
| Discounted unguaranteed residual value included in the net investment in lease | 2.17 | 1.91 |

**Significant changes in the carrying amount of the net investment in finance leases**

(₹ in Crore)

| Paraticulars | 31.03.2021 | 31.03.2020 |
|---|---|---|
| Opening Balances | 1,436.22 | 1,506.28 |
| Additions/(deductions) during the year | 2.38 | 5.99 |
| Income from Finance Lease for the year | 197.16 | 203.65 |
| **Less:** Amount received during the year | 262.25 | 279.69 |
| **Closing Balances** | **1,373.51** | **1,436.23** |

**(ii) Teesta Low Dam-III (TLDP-III) Power Station as Finance Lease**

Power Purchase Agreement (PPA) in respect of TLDP-III executed with M/s WBSEDCL (single beneficiary) was for a period of 5 years from date of commissioning valid till 31st March, 2019 and was designated as an operating lease as per Appendix-C of Ind AS 17-Leases then applicable.

During the year, the Company has entered into a supplementary PPA with M/s WBSEDCL for offtake of the entire power generated by TLDP-III Power Station for its balance useful life of 35 years on mutually agreed tariff. The supplementary PPA, whose effective date is 1st April, 2019 has been approved by the Board of Directors of both the parties and has been submitted with the respective Electricity Regulatory Commissions (CERC in the case of NHPC and WBERC in the case of WBSEDCL) for approval. Pending approval by the regulatory authorities, billing for power is being done at the rates agreed upon in the supplementary PPA.

The Company has assessed that the supplementary PPA is in the nature of a Finance Lease as per Ind AS 116- Leases. Accordingly, the net impact on profit of ₹ **17.27 Crore** on account of this has been recognised as Income from Finance Lease in the Statement of Profit and Loss during the current financial year. The aggregate amount of income from finance lease in respect of the Power Station for FY 2020-21 is ₹ **174.46 Crore** (including ₹ **17.27 Crore** as above) as against income from operating lease of ₹ **342.43 Crore** during FY 2019-20.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as at 31st March 2021:

₹ in Crore)

| Paraticulars | 31.03.2021 |
|---|---|
| **undiscounted lease payments receivable:** | |
| Less than one year | 198.79 |
| One to two years | 204.19 |
| Two to three years | 208.77 |
| Three to four years | 203.13 |
| Four to five years | 197.19 |
| More than five years | 2,823.79 |
| **Total undiscounted lease payments receivable** | **3,835.86** |
| **Add:** unguaranteed residual value | 192.45 |
| **Less:** Unearned finance income | 2,737.36 |
| **Net investment in the lease** | **1,290.95** |
| Discounted unguaranteed residual value included in the net investment in lease | 3.91 |

**C) Operating Lease – Company as Lessor :**

The Company has entered into operating lease arrangement with West Bengal State Electricity Board for sale of power from TLDP-IV power station for a period of 5 years and with Jodhpur Vidyut Vitran Nigam Limited for sale of power from 50 MW Wind Power Project, Jaisalmer for a period of 3 years. Under the agreements, the customer is obliged to purchase the output at prices determined by the Central Electricity Regulatory Commission.

The Company has earned "Income from Operating Lease" for the yearof ₹ **712.00 Crore** during the year (previous year ₹ **324.14 Crore (also refer B (ii) above))**.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the end of the financial year as per Power Purchase Agreement:

(₹ in Crore)

| Paraticulars | 31.03.2021 | 31.03.2020 |
|---|---|---|
| Less than one year | - | 198.05 |
| One to two years | - | - |
| Two to three years | - | - |
| Three to four years | - | - |
| Four to five years | - | - |
| More than five years | - | - |
| **Total** | **-** | **198.05** |

**17. Disclosures under Ind AS-27 'Separate Financial Statements':**

**(a) Interest in Subsidiaries:**

| Name of Companies | Principle place of operation | Principal activities | Proportion of Ownership interest as at | |
|---|---|---|---|---|
| | | | 31.03.2021 | 31.03.2020 |
| NHDC Limited | India | Power Generation | 51.08% | 51.08% |
| Loktak downstream Hydroelectric Corporation Limited | India | Power Generation | 74.92% | 73.17% |
| Bundelkhand Saur Urja Limited | India | Power Generation | 74.00% | 99.99% |
| LancoTeesta Hydro Power Limited # | India | Power Generation | 100.00% | 100.00% |
| Jal Power Corporation Limited ## | India | Power Generation | 100.00% | - |

# The Board of Directors of the Company in its meeting held on October 20, 2020 has approved the proposal to initiate the process of merger/amalgamation of Lanco Teesta Hydro Power Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited under Section 232 of the Companies Act, 2013 subject to approval of Government of India.

## National Company Law Tribunal (NCLT) had approved the resolution plan submitted by the Company for acquisition of Jal Power Corporation Limited (120 MW Rangit IV HE Project) for a consideration of Rs. 165.00 Crore, vide order dated 24th Dec., 2020. The purchase consideration has been paid on 31st March, 2021 and Jal Power Corporation Limited has become a wholly owned subsidiary of the Company from that date. However the shares has been allotted to the Company on 6th May, 2021.

**(b) Interest in Joint Ventures:**

| Name of Companies | Principle place of operation | Principal activities | Proportion of Ownership interest as at | |
|---|---|---|---|---|
| | | | 31.03.2021 | 31.03.2020 |
| National High Power Test Laboratory Private Limited | India | On Line High Power Short Circuit Test Facility | 20.00% | 20.00% |
| Chenab Valley Power Projects Private Limited # | India | Power Generation | 51.93% | 49.89% |

# During the year, the company has further invested Rs. 399.85 crore and JKPDC has invested Rs. 299.85 crore in Chenab Valley Power Project Ltd. (CVPPL), as a result of which the company's shareholding increased from 49.89% to 51.93%. CVPPL continues to be a Joint Venture owing to control exercised jointly with the other joint venturers, pursuant to the Joint Venture agreement. Further, the Company has obtained the approval of the Ministry of Power, Govt. of India for acquiring the shareholding of M/s PTC (India) Ltd., one of the Joint Venture partners, amounting to 2% of the equity shares of CVPPL on 12th May, 2021. Purchase consideration has been paid to M/s PTC (India) Ltd on 25.05.2021. Consequent to this CVPPL shall become subsidiary company of NHPC Limited on completion of requisite formalities in this respect.

Equity investments in Subsidiaries and Joint Ventures are measured at cost as per the provisions of Ind AS-27 on 'Separate Financial Statements'.

**18.** Ind AS 36-Impairment of Assets requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each of the Project / Power Station of the Company is the smallest identifiable group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets and accordingly qualifies to be designated as a Cash Generating Unit (CGU). Impairment indicators applicable to these CGUs have been assessed and based on such assessment, Management is of the opinion that no significant change with an adverse effect on the Company has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the Company and its Subsidiaries and Joint Ventures operate. This includes the regulations notified by CERC for the tariff period 2019-24 where there are no major amendments that can have a significantly adverse impact on the future cash flow from the CGUs. There is no evidence available from internal reporting that indicates that the economic performance of a CGU is, or will be, worse than expected.

Further, six CGUs of the Company and two CGUs of one of the subsidiaries were assessed for impairment as on 31st March, 2021. The CGUs of the Company were selected based on criteria like capital cost per MW, tariff, etc. and include the two major construction projects of the Company and the four most recently commissioned Power Stations over 100 MW capacity. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment. In respect of the subsidiary, both the operating power stations have been considered for impairment assessment.

The impairment analyses were carried out on the basis of value-in-use calculation by measuring the recoverable amount of the CGUs as per cash flow projections based on the applicable CERC Tariff Regulations adjusted for the risks specific to each CGU and a pre-tax discount rate arrived at on the basis of the Capital Asset Pricing Model that reflects market assessments of the time value of money.

Based on the assessment, there exists no significant indicator that would suggest an impairment of the carrying amounts of the CGUs of the company including Regulatory Deferral Account Balances and its investment in subsidiaries and Joint Ventures during FY 2020-21. Further, there exists no impairment in respect of the Projects / Power Stations of the company and its subsidiary tested for impairment during FY 2020-21.

**19.** As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deducted from free power to the State Government, there would not be any impact on the profit of the Company.

**20.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for any related impact in the year the Code becomes effective.

**21.** Nature and details of provisions (refer Note No. 17 and 22)

**(i) General**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

**(ii) Provision for employee benefits (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 10 of Note No. 34):**

**a) Provision for Performance Related Pay/Incentive:**

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees on the basis of Management estimates as per company's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

**b) Provision For Wage Revision as per 3rd Pay Revision Committee (PRC):**

Short term provision for wage revision of the employees of the company was recognised earlier as per notification of the Department of Public Enterprises, Government of India.

**(iii) Other Provisions:**

**a) Provision For Tariff Adjustment:**

Provision for tariff adjustment is made on estimated basis against probable refund to beneficiaries on reassessment of tariff billed, pending approval of Tariff/truing up for the Year 2014-19/2019-24 by the Central Electricity Regulatory Commission (CERC).

**b) Provision for Livelihood Assistance:**

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the Years as under:

i) Till the date of superannuation for PAFs eligible for employment.

ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.

iii) For 1000 days to all remaining PAFs.

**c) Provision for Committed Capital Expenditure:**

Provision has been recognised at discounted value in case of non- current amount for Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

**d) Provision for restoration expenses of insured assets:**

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega and Construction Plant and Machinery Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

**e) Provisions for expenditure in respect of Arbitration Award/Court cases:**

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

**f) Provisions- Others:** This includes provisions towards:-

(i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.

(ii) Wage revision of Central Government Employees whose services are utilised by the company.

(iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.

(iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.

(v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

**22. Disclosures relating to creation of Regulatory Deferral Account (RDA)balances as per Ind AS 114:**

The Company is principally engaged in the construction and operation of hydroelectric power projects. The price (tariff) to be charged by the company for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms and conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation and maintenance charges plus a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.

For the purpose, the Company is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto the date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation results in creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. Guidance Note on Accounting for Rate Regulated Activities (Previous GAAP) issued by the ICAI is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognized when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

The guidance note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognized as expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the Previous GAAP.

**A) Regulatory Deferral Account balances in respect of Subansiri Lower Project:**

Construction activities at site of Subansiri Lower Project were interrupted w.e.f. 16.12.2011 and the matter was pending before National Green Tribunal. Technical and administrative work at the project was however continued.

Vide order dated 31st July 2019, the Hon'ble NGT has held that there is no justification in the petitions of the applicants pleading bias in the constitution of the Expert Committee by the MoEF & CC and accordingly, the cases against Subansiri Lower Project pending with the NGT have been dismissed. Active construction work at the project has been resumed from October-2019.

In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ **2735.61 Crore** (upto Previous year ₹ **2735.61 Crore**), employee benefits expense, depreciation and other expense of ₹ **1427.67 crore** (upto Previous year ₹ **1427.67 Crore**), net of other income of ₹ **322.60 Crore** (upto Previous year ₹ **322.60 Crore**) incurred till 30th September 2019 has been charged to the Statement of Profit and Loss.

As active construction work at the project has been resumed during FY 2019-20, borrowing cost, employee benefits expense, depreciation and other expense (net of other income) incurred with effect from 01.10.2019 has been capitalized as Expenditure attributable to Construction.

During financial year 2014-15, the company had adopted the accounting as per Guidance Note on Rate Regulated Activities issued by the ICAI which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be recovered from the beneficiaries in future through tariff.

Since Ind AS 114 'Regulatory Deferral Accounts' allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances and recognizes the Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' as the previous GAAP, the company has continued with the accounting policy for regulatory deferral account balances.

The total Regulatory Deferral Account Debit balances recognised in respect of Subansiri Lower Project for and upto the year ended 31.03.2021 are as under:

(₹ in Crore)

| Regulatory asset created in relation to: | Upto 31.03.2021 |
|---|---|
| Borrowing Costs | 2509.67 |
| Employee Benefit expense | 628.73 |
| Depreciation and Amortisation | 54.86 |
| Other Expense | 562.83 |
| Other Income | (285.50) |
| **Total** | **3470.59** |

Further, no regulatory deferral account balances has been recognized during the year 2020-21.

As per management assessment, there is no impairment in the carrying amount of ₹ **8410.41 Crore** included under Capital Work in Progress of the Project including the regulatory deferral account balances recognized therein.

After Commercial Operation Date (COD) of the Project, amount recognized as Regulatory Deferral Account balances in respect of Subansiri Lower Project shall be amortized/ liquidated in proportion to depreciation following the rates and methodology notified under CERC Tariff Regulations over the life of the Project, i.e. 40 years.

Tariff Regulations for the period 2019-2024 have been notified by the CERC. In addition to the existing Tariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo as per Tariff Regulations 2014-19, the new regulations also include delay in obtaining statutory approval for projects as one of the force majeure events. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of Subansiri Lower Project.

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower Project are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of depreciation through tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term Power Purchase Agreements (PPAs), at the rate covering the cost and required return ensuring the viability of the Project.

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating company but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

**B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):**

Pay of employees of CPSUs including Central Govt. Employees under IDA pay scale have been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹ **0.10 crores** to ₹ **0.20 crores** with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations including employees of Kendriya Vidyalaya and CISF Personnel is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner company as on 31.12.2006 from the beneficiaries in twelve equal monthly installments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114-"Regulatory Deferral Accounts", additional expenditure on employee benefits (including employees of Kendriya Vidyalaya and CISF Personnel) due to revision of pay/ gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income till 31st March 2019, have been recognized as 'Regulatory Deferral Account balances'. These balances shall be recovered by way of billing to beneficiaries once the petition filed with CERC in this regard is approved.

As opposed to tariff period 2014-19 where RDA balances of pay revision had been created based on the expectation that CERC would allow the same in tariff in line with that allowed earlier for pay revision during FY 2009, tariff regulation 2019-24 specifically allows for recovery of additional expenditure on account of pay revision.

Accordingly, additional expenditure due to 3rd PRC for FY 2020-21 amounting to ₹ **214.63 Crore** (Previous Year ₹ **204.85 Crore**) has been recognised as "Unbilled Revenue", while ₹ **631.90 Crore** on account of additional expenditure till 31.03.2019 continues to be presented as RDA debit balance.

The total RDA Debit balances recognised till 31.03.2021 in the financial statement are as under:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **631.90** |
| B | Addition during the year (+) | - |
| C | Amount collected during the year (-) | - |
| D | **Regulatory income recognized in the Statement of Profit and Loss (B+C)** | **-** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **631.90** |

Recoverability of the Regulatory Deferral Account balances on account of Pay Revision of Employees is however, subject to Regulatory Risk since such expenditures are generally allowed by the CERC after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.The company expects to recover the carrying amount of Regulatory Deferral Account balances in respect of 3rd pay revision during the current CERC Regulation 2019-24 periods.

**C) Regulatory Deferral Account balances due to moderation of tariff of Kishanganga Power Station:**

As per CERC Tariff Regulations 2014-19/2019-24, depreciation on capital cost of a Power Station forms one of the components of tariff. Depreciation is charged in the books as per the rates provided in the Tariff Regulations 2014-19/2019-24 in the initial operating period of 12 years and thereafter the balance depreciation is spread over equally in the remaining 23/28 years so as to recover 90 percent of the capital cost of the Power Station by way of depreciation. As per Tariff regulations 2019-24, the operating life of a hydro-power station is 40 years.

As per CERC Tariff Regulations, 2019-24, tariff for sale of electricity by the generating company may also be determined in deviation of the norms specified in the Regulations provided the levelised tariff over the useful life of the project on the basis of the norms in deviation does not exceed the levelised tariff calculated on the basis of the norms specified in the Regulations. Similar provisions exist in the Tariff Regulations for the period 2019-2024 notified by the CERC.

In the case of Kishanganga Power Station (Commercial Operation Date: 17th May, 2018), the Company has made moderation in tariff of Kishanganga Power Station by fixing lower tariff in the initial ten years and then fixing higher tariff in the remaining 25 years by way of charging 1.5% depreciation from the 1st to the 10th year and 2.5% depreciation from 11th to the 40th year, thus aggregating 90 percent of the Capital Cost of the Power Station. This moderation, with the intent to reduce tariff in the initial years of operation, has been duly approved by the CERC.

Moderation of depreciation rates for tariff determination in Kishanganga Power Station gives rise to a significant mismatch by way of higher depreciation charged in the books (as per CERC Tariff Regulations, 2019-24) during the first 12 years of commercial operation and recovery by way of tariff as per Tariff Order of the Power Station approved by the CERC. The lower recovery during the first 12 years would, however, be compensated over the balance period of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114-"Regulatory Deferral Accounts", difference between depreciation charged to the Statement of Profit and Loss Account as per Tariff Regulations 2019-24 and the depreciation allowed by way of tariff and which is recoverable from the beneficiaries in subsequent periods is being recognized as 'Regulatory Deferral Account balances' with effect from Commercial Operation Date of the Power Station. RDA balances created during the first 12 years of commercial operation shall be recovered from beneficiaries by way of higher depreciation as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 28 years.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **367.60** |
| B | Addition during the year (assets (+)/ liability (-)) | 195.51 |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **195.51** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **563.11** |

The Company has long term Power Purchase Agreements in respect of Kishanganga Power Station. Since the proposal for moderation of tariff already stands approved by the CERC, the Company does not envisage any significant risk as regards recoverability of the Regulatory Deferral Account balances created in respect of Kishanganga Power Station.

However, as depreciation charge in the books and recovery thereof through tariff are dependent on the Capital Cost of the Power Station as allowed by CERC, recovery of the regulatory deferral account balances in respect of Kishanganga Power Station would be subject to Regulatory Risk. Approval of actual capital expenditure on the Power Station including expenditure on account of time and cost overruns etc. are subject to prudence check by the CERC. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

**D) Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items:**

As per Ind AS 23-"Borrowing Costs", borrowing cost on foreign currency loans to the extent treated as an adjustment to interest costs is allowed to be capitalised during construction period. Further, Ind AS 21-"The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on settlement or translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in the Profit and Loss in the period in which they arise.

Para D13AA of Ind AS 101-"First Time Adoption of Ind AS" provides that a first-time adopter may continue the existing accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss.

As per the CERC Tariff Regulations 2014-19, any gain or loss on account of exchange risk variation shall be recoverable as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during Operation and Maintenance (O&M) period. Further, CERC in previous tariff orders has allowed exchange differences incurred during the construction period as a part of capital cost.

Keeping in view the provisions of Ind AS 114-"Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, exchange differences arising on translation/ settlement of foreign currency monetary items to the extent charged to the Statement of Profit and Loss are being recognized as 'Regulatory Deferral Account balances' with effect from 01.04.2016. These balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries after Commercial Operation Date (COD) of the Project.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **0.02** |
| B | Addition during the year (assets (+)/ liability (-)) | 1.70 |
| C | Amount collected (-)/refunded (+) during the year | 0 |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **1.70** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **1.72** |

Tariff Regulations for the period 2019-2024 have been notified by the CERC. Regulations regarding recoverability of Foreign Exchange rate Variation (FERV) as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during O&M period of a Power Station as per Tariff Regulations 2014-19 have been continued for the tariff period 2019-24 also. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of exchange differences on Foreign Currency Monetary items.

Recoverability of the Regulatory Deferral account balances is however, subject to Demand Risk since recovery/payment of the regulatory deferral debit/credit balance shall be by way of billing to the beneficiaries. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term PPAs, etc.

**E) Regulatory Deferral Account balances on account of deferred tax recoverable from beneficiaries:**

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff period 2014-19, deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid. Till 31st March, 2018 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as RDA.

The practice was reviewed based on an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of the ICAI) obtained during FY 2018-19. Such deferral account balance which as per EAC of ICAI is not a deductible temporary difference resulting into deferred tax asset under Ind AS 12, rather fulfils the definition of regulatory deferral account balance in terms of Ind AS 114.

Accordingly, the Company had reclassified the deferred tax recoverable upto 2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 earlier presented as an adjustment to Deferred Tax Liability, as a Regulatory Deferral Account balance during FY 2018-19.

As per Tariff Regulations 2019-24 notified by the CERC, there is no change in mode of recovery of current tax and deferred tax as provided in the earlier Tariff Regulations 2014-19.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

**In respect of deferred tax recoverable for tariff period upto 2009:**

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **1529.02** |
| B | Addition during the year (assets (+)/ liability (-)) | - |
| C | Amount collected (-)/refunded (+) during the year | 75.46 |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **(75.46)** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **1453.56** |

**In respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19 and onwards):**

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **837.09** |
| B | Addition during the year (assets (+)/ liability (-)) | 6.28 |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **6.28** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **843.37** |

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable upto tariff period 2004-2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 and onwards are dependent upon the future operating performance of the Company. Further, since these Regulatory Deferral Account balances relate to past tariff periods, recoverability is also subject to the regulatory risk of CERC allowing recovery of such balances in future tariff regulations.

**F) Regulatory Deferral Account balances on account of Borrowing and other Cost incurred during Covid-19 Lock down period:**

Para 20 of Ind AS 23- Borrowing Cost stipulates that an entity shall suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

Due to outbreak of Covid-19 pandemic, Ministry of Home Affair vide order dated 24th March 2020 imposed a nationwide lockdown to prevent the spread of Covid-19 in the country which was extended from time to time.

During the initial period of lockdown, there was a temporary suspension of major construction activities from 23rd March, 2020 to 20th April, 2020 at Parbati-II Project and from 23rd March 2020 to 23rd April, 2020 at Subansiri Lower Project.

Tariff Regulations for the period 2019-2024 notified by the CERC allows capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events. Accordingly, borrowing and other administrative costs incurred at these projects during the period of temporary suspension of work due to lockdown on account of Covid-19 have been recognised as regulatory deferral account balances as under:

(₹ in Crore)

| Regulatory asset created in relation to | During the year ended 31.03.2021 |
|---|---|
| Borrowing Costs | 78.10 |
| Employee Benefit expense | 15.35 |
| Depreciation | 1.47 |
| Other Expense | 6.10 |
| Other Income | (1.96) |
| **TOTAL** | **99.06** |

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower and Parbati-II Projects are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long-term Power Purchase Agreements (PPAs), at the rate covering the cost and required return ensuring the viability of the Project.

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating company but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

**23 (i)** Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, was restored during the months of June, July and August 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received net of refund | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2021 | As at 31st March, 2020 |
| Business Interruption Loss | 202.98 | 74.01 | - | 128.97* | 128.97 |

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

# Income recognised in respect of Business Interruption Loss during the year is **NIL** (Cumulative as on date is ₹ **74.01 Crore**).

**(ii)** Chamera-II Power Station, where a major fault occurred in generator stator of Unit#1 and Unit #2 on 07.08.2019. Restoration of the generating units is expected to be completed with in a period of 12 months from the date of incident. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2021 | As at 31st March, 2020 |
| Against material damage | 34.22 | 14.49 | 6.00 | 13.73 | 27.23 |
| Business Interruption Loss | - | - | - | - | 81.08* |
| **Total** | **34.22** | **14.49** | **6.00** | **13.73** | **108.31** |

* Included in Contingent Assets in Para 2 (d) to Note no. 34. Claim lodged in respect of Business Interruption Loss of ₹ 81.08 Crore during FY 2019-20 has been rejected by the Insurance Company during FY 2020-21.

**(iii)** Sewa-II Power Station, where Head Race Tunnel (HRT) was damaged on September 25, 2020 due to land slide. Presently the Power Station is under complete shut down and restoration work is in progress. The Assets of the power station and loss of generation are covered under Mega Risk Policy. In view of the Management, no material impact is envisaged on the financial performance of the company. Status of Insurance claim as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2021 | As at 31st March, 2020 |
| Against material damage | 40.00 | - | 2.00 | 38.00 | - |
| Business Interruption Loss | 274.60 | - | - | 274.60* | - |
| **Total** | **314.60** | **-** | **2.00** | **312.60** | **-** |

* Included in Contingent Assets in Para 2(d) to Note no. 34.

**(iv)** The Assets of all power stations and loss of generation are covered under Mega Risk Policy. Status of Insurance claim in respect of power stations (other than major claims of Uri-II, Chamera-II and Sewa-II) disclosed at para 23 (i), (ii) and (iii) above as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2021 | As at 31st March, 2020 |
| Against material damage | 68.67 | 14.03 | 23.63 | 31.01 | 15.13 |
| Business Interruption Loss | 14.00 | - | - | 14.00* | - |
| **Total** | **82.67** | **14.03** | **23.63** | **45.01** | **15.13** |

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

**24.** As per deliberations of the Board of Directors in its meeting held on 20.03.2014, the viability of Bursar HE Project is dependent upon financial support from Government of India and Government of Jammu & Kashmir. Ministry of Power (MOP), Government of India was approached to provide funding for Survey and Investigation of **Bursar Project** to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it was informed by the representatives of MoWR that the request of the company for release of funds for preparation of DPR is under consideration for approval of Government of India. Detailed Project Report (DPR) of the project was submitted to CEA and expenditure of ₹ **226.78 Crore** (previous year ₹ **226.78 Crore**) incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision made in earlier years in this respect has been continued in the books of accounts.

**25.** Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects are three of the 24 hydro-electric projects located in the State of Uttarakhand which are covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant environmental/forest clearance to these projects until further order and to examine the significant impact on the bio-diversity of Alaknanda and Bhagirathi river basin. Pending adjudication about the fate of these projects, the expenditure incurred upto 31.03.2021 amounting to ₹ **274.35 crore** (previous year ₹ **265.94 Crore**), ₹ **42.95 crore** (previous year ₹ **42.95 Crore**) and ₹ **51.42 crore** (previous year ₹ **51.42 Crore**) have been carried forward as Capital Work in Progress in respect of Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects respectively. However, as an abundant precaution, provision for these amounts totalling ₹ **368.72 crore** (previous year ₹ **360.31 Crore**) up to 31.03.2021 has been made in the books of accounts.

**26.** Expenditure incurred on Tawang Stage-I and Stage-II Hydroelectric Projects amounting to ₹ **233.68 crore** (previous year ₹ **225.23 Crore**) has been carried forward as Capital Work in Progress. However, considering delay in receipt of clearances, difficulty in acquisition of land and overall uncertainties associated with these projects, provision for expenditure incurred in these projects upto 31.03.2021 amounting to ₹ **233.68 crore** (previous year ₹ **97.57 crore**) has been made in the accounts as an abundant precaution.

**27.** (a) Implementation of Dhauliganga Intermediate, Chungar Chal and Kharmoli Lumti Tulli Hydroelectric Projects has been temporarily put on hold. Pending final decision to hand over these projects to the Government of Uttarakhand, the expenditure incurred upto 31.03.2021 amounting to ₹ **35.70 Crore** (previous year ₹ **35.70 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.70 Crore** (previous year ₹ **35.70 Crore**) has been made in the books of accounts.

b) Measures to reduce capital cost and optimise tariff of Goriganga IIIA Project are being explored. Pending decision on the same, the expenditure incurred upto 31.03.2021 amounting to ₹ **46.18 Crore** (previous year ₹ **46.08 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.18 Crore** (previous year ₹ **46.08 Crore**) has been made in the books of accounts.

**28.** Capital Expenditure (CAPEX) is the expenditure incurred towards acquisition/ addition of any asset which form part of Fixed Assets (Property, Plant and Equipment, Capital Work in Progress, Intangible Assets etc.). During the year, net cash expenditure incurred by the Company towards CAPEX is ₹ **2570.12 Crore** (Previous Year ₹ **3173.86 Crore**) towards acquisition /addition/construction of assets.

**29.** 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:**

(i) Subsidiary Companies: NIL (Previous Year- NIL)

(ii) Joint Venture Companies:

(₹ in Crore)

| Name of Company | Outstanding Balances as at | | Maximum amount outstanding during the Year | |
|---|---|---|---|---|
| | 31.03.2021 | 31.03.2020 | 2020-21 | 2019-20 |
| National High Power Test Laboratory (P) Ltd. | 18.82 | 6.27 | 18.82 | 6.27 |

(iii) To Firms/companies in which directors are interested : **NIL** (Previous Year-**NIL**)

**B.** Investment by the loanee (as detailed above) in the shares of NHPC : **NIL** (Previous Year - **NIL**)

**30.** Quantitative details of Renewable Energy Certificates (RECs) in respect of renewable energy projects:

| Sl. No. | Description | Quantity (in Numbers) | |
|---|---|---|---|
| | | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
| 1 | RECs issued | - | 7042 |
| 2 | RECs under certification | - | - |
| 3 | RECs sold during the year | - | 7042 |

**31. IMPACT OF COVID-19**

The Company's primary source of revenue is from generation and sale of hydroelectricity. Consequent to the outbreak of COVID-19 and recent surge in number of cases thereof, Government of India and/or State Governments have declared lockdowns which have affected business in general. Power supply being an essential service and considering the must-run status for Run-of-the-River (ROR) projects and scheduling to the extent possible by RLDCs in case of ROR with Pondage and Storage Projects, no material impact of COVID-19 on the financial performance of the Company including interalia the carrying value of various current and non-current assets or the ability to service the debt of the company, is expected to arise.

However, in line with the directions of the Ministry of Power dated 15th & 16th May 2020, the company has given a one-time rebate of ₹ **185 crore** to DISCOMs and Power Departments of States/ Union territories for passing on to ultimate consumers on account of COVID-19 pandemic. The said rebate has been presented as an **"Exceptional item"** in the Financial Statement.

In respect of projects under construction / under survey & investigation, the management does not foresee any large-scale contraction in demand which could result in down-sizing of its project portfolio. No contraction in the demand for the Company's debt instruments which could result in an increase in the cost of borrowings to fund future capital expenditure is foreseen.

Trade receivables amounting to ₹ **3206.02 Crore** forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for loss allowance using the expected credit loss method. Beneficiaries of the Company are mostly State DISCOMS and considering the infusion of liquidity declared by the Government of India to these beneficiaries under the Atmanirbhar Bharat Special Economic & Comprehensive Package, the Company does not anticipate any enhancement of credit risk in realization of trade receivables.

A significant part of the financial assets of the Company are classified as Level 1 and the fair value of these assets which are mainly investments in liquid equity and debt securities is marked to an active market which factors in the uncertainties arising out of COVID-19. In respect of Financial Assets carried at amortised cost in the form of cash and cash equivalents, bank deposits and earmarked balances with banks as at March 31, 2021, the Company has assessed that there is no enhancement in the counterparty credit risk. In respect of other financial assets classified as Level 2 and Level 3, the management does not anticipate any enhancement in credit risk based on an assessment of the profile of the counterparty, most of whom are either employees of the Company or State Government / Central Government entities.

Accordingly, management is of the opinion that there are no reasons to anticipate impairment in the carrying amount of Property, Plant & Equipment / Capital Work in Progress in respect of Projects under construction. Similarly, there is no impact of CoVID-19 as regards recoverability of deferred tax assets / regulatory deferral account balances and regulatory deferral account balances against deferred tax liabilities recognized by the Company.

As regards Ind AS 116- Leases, no changes in lease terms are anticipated in cases where the Company accounts for contracts as a lessee. Further, in the case of embedded leases in respect of Power Stations with single beneficiary, no relaxation in lease terms is proposed.

As per assessment, there is no enhancement in credit risk in respect of amounts receivable from other debtors, including Subsidiaries and Joint Ventures of the Company. Further, consultancy contracts entered into with other entities (primarily with Subsidiaries and Joint Ventures of the Company) have not become onerous since these Subsidiaries and Joint Ventures of the Company are in the same line of business.

Based on assessment of the management, no material impact of COVID-19 on the financial performance interalia including the carrying value of various current and non- current assets or on the going concern assumptions of the Company is expected to arise. Further impact of COVID-19, if any, is dependent upon future developments. The company will continue to monitor the impact of the pandemic and the same will be taken into consideration on crystallization.

**For and on behalf of Board of Directors**

| | | |
|---|---|---|
| **SAURABH CHAKRAVORTY**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For Arora Vohra & Co.**<br>Chartered Accountants<br>FRN: 009487N | **For K.G. Somani & Co.**<br>Chartered Accountants<br>FRN: 006591N | **For Lodha & Co.**<br>Chartered Accountants<br>FRN: 301051E |
| **(CA Narinder Malik)**<br>Partner<br>M. No. 097008 | **(CA Bhuvnesh Maheshwari)**<br>Partner<br>M. No. 088155 | **(CA R.P. Singh)**<br>Partner<br>M. No. 052438 |

Place: Faridabad
Date: 10th June, 2021

## NOTE NO. 35 TO STANDALONE FINANCIAL STATEMENTS

During the year ended on 31.03.2021, retrospective reclassifications/restatements have been carried out in respect of certain items in the financial statements of previous periods. Accordingly, to comply with the requirements of Ind AS 1, the company has presented a 3rd Balance Sheet as at the begining of preceding period. i.e. as on 01.04.2019. Major restatements/reclassifications are explained as under:-

**(A) Restated Standalone Financial Statements for the year ended 31st March, 2020 and as at 1st April, 2019**

RESTATED STANDALONE BALANCE SHEET AS AT 31st MARCH, 2020 and as at 1st April, 2019

(₹ in crore)

| | PARTICULARS | Note No. of Standalone Financial Statements | Notes | As at 31st March, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2020 (Restated) | As at 1st April, 2019 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2019 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| | **ASSETS** | | | | | | | | |
| **(1)** | **NON-CURRENT ASSETS** | | | | | | | | |
| a) | Property, Plant and Equipment | 2.1 | | 21,463.33 | - | 21,463.33 | 22,940.69 | - | 22,940.69 |
| b) | Capital Work In Progress | 2.2 | | 16,097.65 | - | 16,097.65 | 14,898.11 | - | 14,898.11 |
| c) | Right Of Use Assets | 2.3 | | 1,826.98 | - | 1,826.98 | - | - | - |
| d) | Investment Property | 2.4 | | 4.49 | - | 4.49 | 4.49 | - | 4.49 |
| e) | Intangible Assets | 2.5 | | 0.72 | - | 0.72 | 906.66 | - | 906.66 |
| f) | **Financial Assets** | | | | | | | - | - |
| | i) Investments | 3.1 | | 3,400.74 | - | 3,400.74 | 2,361.66 | - | 2,361.66 |
| | ii) Trade Receivables | | 35.1 (b) | | | - | 61.51 | (61.51) | - |
| | iii) Loans | 3.2 | | 798.65 | - | 798.65 | 746.41 | - | 746.41 |
| | iv) Others | 3.3 | 35.1 (b) | 3,435.91 | - | 3,435.91 | 3,467.16 | 61.51 | 3,528.67 |
| g) | Non Current Tax Assets (Net) | 4 | | 138.90 | - | 138.90 | 131.95 | - | 131.95 |
| h) | Other Non Current Assets | 5 | 35.1 (a) | 3,023.61 | 11.80 | 3,035.41 | 2,021.35 | 7.49 | 2,028.84 |
| | **TOTAL NON CURRENT ASSETS** | | | **50,190.98** | **11.80** | **50,202.78** | **47,539.99** | **7.49** | **47,547.48** |
| **(2)** | **CURRENT ASSETS** | | | | | | | | |
| a) | Inventories | 6 | | 118.24 | - | 118.24 | 117.14 | - | 117.14 |
| b) | **Financial Assets** | | | | | | | - | |
| | i) Trade Receivables | 7 | 35.1 (b) | 3,818.34 | (233.22) | 3,585.12 | 2,623.09 | (296.69) | 2,326.40 |

| | PARTICULARS | Note No. of Standalone Financial Statements | Notes | As at 31st March, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2020 (Restated) | As at 1st April, 2019 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2019 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| | ii) Cash & Cash Equivalents | 8 | | 8.87 | - | 8.87 | 12.04 | - | 12.04 |
| | iii) Bank balances other than Cash and Cash Equivalents | 9 | | 380.25 | - | 380.25 | 378.59 | - | 378.59 |
| | iv) Loans | 10 | | 46.03 | - | 46.03 | 45.18 | - | 45.18 |
| | v) Others | 11 | 35.1 (b) | 2,699.74 | 233.22 | 2,932.96 | 1,984.26 | 296.69 | 2,280.95 |
| c) | Current Tax Assets (Net) | 12 | 35.1 (c ) | 86.95 | 40.19 | 127.14 | 61.22 | 40.19 | 101.41 |
| d) | Other Current Assets | 13 | 35.1 (a) and 35.1 (c ) | 427.90 | (51.99) | 375.91 | 355.25 | (47.68) | 307.57 |
| | **TOTAL CURRENT ASSETS** | | | **7,586.32** | **(11.80)** | **7,574.52** | **5,576.77** | **(7.49)** | **5,569.28** |
| **(3)** | Regulatory Deferral Account Debit Balances | 14 | | 6,836.22 | - | 6,836.22 | 6,492.61 | - | 6,492.61 |
| | **TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES** | | | **64,613.52** | **-** | **64,613.52** | **59,609.37** | **-** | **59,609.37** |
| | **EQUITY AND LIABILITIES** | | | | | | | | |
| **(1)** | **EQUITY** | | | | | | | | |
| (a) | Equity Share Capital | 15.1 | | 10,045.03 | - | 10,045.03 | 10,045.03 | - | 10,045.03 |
| (b) | Other Equity | 15.2 | | 19,938.78 | - | 19,938.78 | 19,169.70 | - | 19,169.70 |
| | **TOTAL EQUITY** | | | **29,983.81** | **-** | **29,983.81** | **29,214.73** | **-** | **29,214.73** |
| **(2)** | **LIABILITIES** | | | | | | | - | |
| | **NON-CURRENT LIABILITIES** | | | | | | | - | |
| a) | **Financial Liabilities** | | | | | | | - | |
| | i) Borrowings | 16.1 | | 20,889.74 | - | 20,889.74 | 17,044.63 | - | 17,044.63 |
| | ii) Other financial liabilities | 16.2 | | 2,059.23 | - | 2,059.23 | 2,058.64 | - | 2,058.64 |
| b) | Provisions | 17 | | 27.66 | - | 27.66 | 26.82 | - | 26.82 |
| c) | Deferred Tax Liabilities (Net) | 18 | | 3,641.19 | - | 3,641.19 | 3,610.63 | - | 3,610.63 |

| | PARTICULARS | Note No. of Standalone Financial Statements | Notes | As at 31st March, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2020 (Restated) | As at 1st April, 2019 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2019 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| d) | Other non-current Liabilities | 19 | | 2,082.65 | - | 2,082.65 | 1,824.98 | - | 1,824.98 |
| | **TOTAL NON CURRENT LIABILITIES** | | | **28,700.47** | **-** | **28,700.47** | **24,565.70** | **-** | **24,565.70** |
| **(3)** | **CURRENT LIABILITIES** | | | | | | | **-** | |
| a) | **Financial Liabilities** | | | | | | | - | |
| | i) Borrowings | 20.1 | | 714.31 | - | 714.31 | 406.00 | - | 406.00 |
| | ii) Trade Payables | 20.2 | | | | | | - | |
| | Total outstanding dues of micro enterprises and small enterprises | | | 18.85 | - | 18.85 | 15.74 | - | 15.74 |
| | Total outstanding dues of Creditors other than micro enterprises and small enterprises | | | 285.41 | - | 285.41 | 164.44 | - | 164.44 |
| | iii) Other financial liabilities | 20.3 | 35.1 (d) | 2,879.70 | 0.37 | 2,880.07 | 2,846.92 | 0.34 | 2,847.26 |
| b) | Other Current Liabilities | 21 | 35.1 (d) | 802.81 | (0.37) | 802.44 | 1,066.47 | (0.34) | 1,066.13 |
| c) | Provisions | 22 | | 1,228.16 | - | 1,228.16 | 1,329.37 | - | 1,329.37 |
| d) | Current Tax Liabilities (Net) | 23 | | - | - | - | | - | - |
| | **TOTAL CURRENT LIABILITIES** | | | **5,929.24** | **-** | **5,929.24** | **5,828.94** | **-** | **5,828.94** |
| | **TOTAL EQUITY & LIABILITIES** | | | **64,613.52** | **-** | **64,613.52** | **59,609.37** | **-** | **59,609.37** |

## (B) RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in crore)

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2020 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2020 (Restated) |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| i) Revenue from Operations | 24.1 | 35.2 | 8,735.41 | (0.26) | 8,735.15 |
| ii) Other Income | 24.2 | 35.2 | 1,036.18 | 0.26 | 1,036.44 |
| **TOTAL INCOME** | | | **9,771.59** | **-** | **9,771.59** |
| **EXPENSES** | | | | | |
| i) Purchase of Power - Trading | 25.1 | | 234.13 | - | 234.13 |
| ii) Generation Expenses | 25.2 | | 901.67 | - | 901.67 |
| iii) Employee Benefits Expense | 26 | | 1,515.52 | - | 1,515.52 |
| iv) Finance Costs | 27 | | 795.42 | - | 795.42 |
| v) Depreciation and Amortization Expense | 28 | | 1,545.34 | - | 1,545.34 |
| vi) Other Expenses | 29 | | 1,514.95 | - | 1,514.95 |
| **TOTAL EXPENSES** | | | **6,507.03** | **-** | **6,507.03** |
| **PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | 3,264.56 | - | 3,264.56 |
| Exceptional items | | | - | - | - |
| **PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | **3,264.56** | **-** | **3,264.56** |
| Tax Expenses | 30.1 | | | | |
| i) Current Tax | | | 602.40 | - | 602.40 |
| ii) Adjustments for Income Tax | | | (1.40) | - | (1.40) |
| **Total Tax Expenses** | | | **601.00** | **-** | **601.00** |
| **PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES** | | | **2,663.56** | **-** | **2,663.56** |
| Movement in Regulatory Deferral Account Balances (Net of Tax) | 31 | | 343.61 | - | 343.61 |
| **PROFIT FOR THE YEAR (A)** | | | **3,007.17** | **-** | **3,007.17** |

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2020 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2020 (Restated) |
|---|---|---|---|---|---|
| **OTHER COMPREHENSIVE INCOME (B)** | 30.2 | | | | |
| **(i) Items that will not be reclassified to profit or loss (Net of Tax)** | | | | | |
| (a) Remeasurement of the post employment defined benefit obligations | | | 37.51 | - | 37.51 |
| Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | | | 8.14 | - | 8.14 |
| **Sub total (a)** | | | **29.37** | **-** | **29.37** |
| (b) Investment in Equity Instruments | | | (42.09) | - | (42.09) |
| **Sub total (b)** | | | **(42.09)** | **-** | **(42.09)** |
| **Total (i)=(a)+(b)** | | | **(12.72)** | **-** | **(12.72)** |
| **(ii) Items that will be reclassified to profit or loss (Net of Tax)** | | | | | |
| - Investment in Debt Instruments | | | 12.10 | - | 12.10 |
| **Total (ii)** | | | **12.10** | **-** | **12.10** |
| **Other Comprehensive Income (B)=(i+ii)** | | | **(0.62)** | **-** | **(0.62)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)** | | | **3,006.55** | **-** | **3,006.55** |
| Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each) | | | | | |
| Before movements in Regulatory Deferral Account Balances | | | 2.65 | - | 2.65 |
| After movements in Regulatory Deferral Account Balances | | | 2.99 | - | 2.99 |

**35.1 Notes to retrospective restatements:-**

a) Certain deposits for acquisition of long-term assets earlier classified as current have been reclassified as "Other Non-Current Assets".

b) Trade Receivables (Current) towards Late Payment Surcharge recoverable from beneficiaries for delay in settlement of bills for purchase of power earlier presented under "Trade Receivables" have been reclassified as "Current Financial Assets- Others" being in the nature of interest. Further, Trade Receivables (Non Current) towards Late Payment Surcharge earlier presented under "Non-Current Trade Receivables" have been reclassified as "Non Current Financial Assets- Others".

c) Income Tax Refundable, earlier presented as "Other Current Assets" has been reclassified as "Current Tax Assets (Net)", being in the nature of tax assets.

d) Payable towards Sodexo Meal vouchers, earlier presented under "Other Current Liabilities" have been reclassified as "Other Current Financial Liabilities " being not a statutory liability.

35.2 Interest on UI Charges / Deviation Settlement Mechanism Receivable, earlier presented as "Revenue from Operations" has been reclassified as "Other Income", being in the nature of interest income.

35.3 Pursuant to an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India, Late Payment Surcharge collected from beneficiaries for sale of power has been reclassified from "Cash Flow from Operating Activities" to "Cash Flow from Investing Activities". Impact of change in Cash Flow Statement for Financial Year 2019-20 is given hereunder:-

(₹ in crore)

| Activity | Existing Figures as on 31.03.2020 | Impact of Restatements/ Reclassifications | Revised Figures as on 31.03.2020 |
|---|---|---|---|
| Cash Flow from Operating Activities | 2473.45 | (259.34) | 2214.11 |
| Cash Flow from Investing Activities | (3,156.32) | 259.34 | (2,896.98) |
| Cash Flow from Financing Activities | 679.70 | - | 679.70 |

35.4 There is no impact of the above restatements/ reclassifications on the "Profit" and "Other Equity" reported in the Financial Statements for the Financial Year 2019-20.

35.5 There is no impact of the above restatements/ reclassifications on the Basic and Diluted Earning Per Share reported in the Financial Statements for the Financial Year 2019-20.

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N
**(CA Narinder Malik)**
Partner
M. No. 097008

**For K. G. Somani & Co.**
Chartered Accountants
FRN: 006591N
**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E
**(CA R. P. SINGH)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

**Annexure - X**

# INDEPENDENT AUDITORS' REPORT

**To the Members of NHPC Limited**

**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the accompanying Consolidated financial statements of NHPC Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's net share of Profit in its Joint Ventures, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of Profit and Loss (including other Comprehensive Income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have considered the matters described below to be the Key Audit Matters for incorporation in our Report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements. The below mentioned key audit matters have been reported taking into account such matters to the extent considered material and relevant for the purpose of consolidated financial statements of the Group in respect of two subsidiaries where Key Audit Matters have been reported by the statutory auditors in their report on the financial statements of those Companies. The statutory auditors of other components have not reported any Key Audit Matters in their reports on the financial statements of the respective Company.

The figures and the matters referred herein below under Key Audit Matters unless specifically mentioned otherwise pertain to Holding Company only since such figures in case of all other components have not been reported upon by the statutory auditors.

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| 1. | **Regulatory Deferral Account Debit Balances and accruals of revenue pending tariff Notifications.**<br><br>Regulatory Deferral Account Debit balances in respect of Holding company as on 31st March 2021 is ₹ 7063.31 Crore (₹ 6836.22 Crore up to 31st March 2020) as given in Note 14 of the Financial Statements. This include accruals aggregating to ₹ 3470.59 Crore on account of interest cost and other attributable expenses pertaining to Subansiri Lower Project for the period from the date of interruption of work i.e. 16.12.2011 till 30.09.2019 as indicated in Note 34(23A).<br><br>Similar matters have also been reported by statutory auditors of NHDC Limited, one of the subsidiary of the Company.<br><br>The operating activities of the Company are subject to cost of service regulations whereby tariff charged for electricity generated is based on allowable capital and other cost and expenses and stipulated return there against.<br><br>Regulatory Deferral Accounts Debit Balances are recognised on undiscounted basis based on the estimates with respect to the probability that future economic benefit will flow to the entity as a result of actual or expected action of regulator under applicable Regulatory framework and therefore recoverability thereof is dependent upon Tariff Regulations and approvals and notifications thereof.<br><br>The accruals made as above are unique and vital to the business in which the Company is operating. In absence of specific notification and rate fixation, these are based on the management's assumptions and estimates which are subject to finalisation of tariff by CERC and commencement of operations of the Projects. | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying the value of Regulatory Deferral Account Debit Balances include the following:**<br><br>• Understanding and testing the design and operating effectiveness of controls as established by the management for accrual of income and determination of the amounts recoverable there against.<br>• Obtaining and understanding of the amount recoverable in terms of CERC Regulations and assessing, testing and evaluating the reasonableness thereof keeping in view the significant judgements applied by the management for such assessments.<br>• Assessing the application of provisions of Ind AS 114, Guidance Note on Accounting of Rate Regulated Activities issued by ICAI for recognition of regulatory deferral balances.<br>• The above includes the evaluation of the CERC guidelines and acceptance of the claim made by the Company in the past and the trend of disallowances on various count and adherences and compliances thereof by the management and rationale for assumptions taken under the given situation and business environment.<br>• Evaluating the various assumptions considered by the management for arriving at the value of Cash generating Unit Note 34(19) in case of Subansiri Lower HE Project and adequacy thereof with respect to the carrying value of the Project in Progress and balances pertaining to the said project under Regulatory deferral Accounts.<br>• Reviewed the adequacy and reasonableness of amounts recognised and measurement policies followed by the Company in this respect and adequacy of the disclosure made with respect to the same. |
| 2. | **Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)**<br><br>Each of the Hydro electricity generating plant has been considered as Cash Generating Units (CGUs) of the company and impairment indicators and requirements thereof have been assessed with respect to the Property, Plant and Equipment and | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the non-provisioning of any CGU based on impairment testing include the following:**<br><br>• Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 38. |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | Capital Work in Progress in respect of projects as given in Note 34(19). This has been assessed that no significant change with an adverse effect on the company has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the company operate. Based on the assessment, the company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the company tested for impairment during the year 2020-21. Based on the above assessment, no provision for impairment has been considered necessary by the Company.<br>Impairment exercise undertaken which justifies the carrying amount of certain assets including the regulatory deferral account balances pertaining to Subansiri Lower Project as dealt with under para 1(a) above, is significant and vital to the Company's operations.<br>Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the future cash flow forecasts, forecast production, forecast volumes, prices and discount rate. | • Review of impairment valuation models used in relation to CGU to determine the recoverable amount by analysing the key assumptions used by management in this respect including:<br>- Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances.<br>- Price assumptions used in the models;<br>- Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate.<br>- The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use.<br>• Reviewed the Government policy and approval for setting up the Projects, decision of the Board and the efforts and steps being undertaken in this respect.<br>• Reliance has been placed on management projections for completion timeline, volume of generation and resultant revenue based on expected tariff there against. |
| 3. | **Contingent Liabilities – against claim from Contractors (Note 34.2(a)(i))**<br>Various claims lodged by the Contractors on Holding company against Capital Works amount to ₹ 9893.27 Crore of which ₹ 412.91 Crore have been provided for, leaving a balance of ₹ 9480.36 Crore which have been disclosed under Contingent Liability.This includes matters under arbitration and/ or before the Court which have been decided against the Company, out of which ₹ 2709.13 Crore have been paid/deposited pursuant to the NITI Aayog directions or Court order.<br>In case of NHDC Limited, one of the subsidiary, the amount of such claim as disclosed in Contingent Liability has been reported to be ₹ 236.12 Crore (out of total contingent liability disclosed ₹ 549.66 Crore)<br>Claims made against the Companies are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof. Provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability. | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:**<br>• Obtained the status of the cases from the legal department and their view on the matter;<br>• Evaluated the contractual terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company;<br>• Discussion with management and reading/ reviewing the correspondences Memos and Notes on related matters.<br>• Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom pending final judgement/ decisions;<br>Reviewed the appropriateness and adequacy of the disclosure by the management as required in terms of the requirement of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets". |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| 4. | **Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage upto 31.03.2021**<br><br>Expenditure of ₹ 1192.72 Crores in respect of Holding company as given in Note 2.2.2 has been incurred for conducting survey and investigation on projects. This includes Interest, administrative and other costs attributable to these projects. Out of this ₹ 954.58 (including ₹ 144.63 Crores during the year) Crores have been provided for keeping in view uncertainty with respect to clearances, approvals for implementing the Projects, leaving ₹ 238.14 Crores which has been carried forward as Capital Work in Progress.<br><br>Further, Capital Work in Progress also includes Projects where active construction activities are yet to be undertaken.<br><br>Interest, Administrative and other Costs are capitalized till the projects are abandoned, however, provisions are made as given herein above in cases where in view of the management there are uncertainties in implementing the projects undertaken.<br><br>In the event of related Projects not being undertaken, amounts spent on survey and investigations and those incurred/ allocated prior to construction thereof will no longer be eligible to be carried forward as Capital Work in Progress. | **Our audit procedures based on which we arrived at the conclusion regarding carrying the amount of expenditure incurred on survey and Investigation Projects incurred include the following:**<br><br>• Obtained the status of the Projects under Survey and Investigation stage as provided by the management and the reason thereof of keeping them in abeyance.<br><br>• Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred (a) for survey and investigation projects and the policy followed for making provisions/ write off for such expenses given the nature of business of the Company, (b) for project under preconstruction stage and allocation of Borrowing and other cost incurred and allocated there against.<br><br>• Evaluating the management's rationale with respect to continuing such projects under Capital Work in Progress inspite of there being uncertainties and delay in implementing the same and expected economic use of the same in future<br><br>• Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for the same given the location, size and nature in each case of the respective project.<br><br>• The matter being technical and proprietary to the nature of industry in which the company is operating, reliance has been placed on the management's contention and representation on the matter. |
| 5. | **Recognition of Deferred Tax and evaluation of utilisation thereof.**<br><br>Deferred Tax with respect to MAT Credit entitlement of ₹ 2382.61 Crore in respect of Holding company lying unutilized as on 31st March 2021 has not been recognised.<br><br>This is on the basis of the management's estimate and evaluation of taxable profit in foreseeable given period in future based on convincing evidences against which such credit can be utilised. This involves significant management judgement based on future projections including future capital expenditure for capacity enhancement and which may significantly vary on crystallization. | **Our audit procedures based on which we arrived at the conclusion regarding appropriateness of non recognition of the unutilised MAT Credit include the following:**<br><br>• Understanding and testing the operating effectiveness of the company's control relating to taxation and assessment of carrying amount of deferred tax assets/ liabilities.<br><br>• Review of the Company's accounting policy in respect of deferred tax assets on unutilized MAT credit and current year development, if any, requiring change in such policy and management contention on the same.<br><br>• Evaluation of tax credit entitlement as legally available to the company based on internal forecast prepared by the company and probability of future taxable income. |

| Key audit Matters | Addressing the Key Audit Matters |
|---|---|
| | • Typical review of underlying assumption for consistency and uncertainty involved and principle of prudence for arriving at reasonable degree of probability of utilisation of deferred tax assets.<br>• Review of implication pertaining to regulatory regime under which company operates and possible utilisation of the MAT credit and impact thereof on the financial statement under the given current Regulatory provisions whereby creation of such assets lead to adjustment/ reversal of Regulatory Deferral Account Debit Balances.<br>• Evaluation of adequacy and appropriateness of disclosure made in the financial statement. |

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditors'report thereon. The other information is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries and joint venture audited by the other auditors or the unaudited Joint Venture duly certified by the management, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors/ management certification and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors or management certified.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The above reporting for other information pertains to Holding Company as the other auditors of components have not reported in respect of "Information Other than the Financial Statements and Auditor' Report Thereon"

**Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated Profit or Loss (financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its Joint Ventures in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility of the respective Board of Directors of the companies included in the Group and of its joint ventures also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its Joint Ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of their financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

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

**Auditors' Responsibility for the Audit of the consolidated Financial Statements**

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

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

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

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

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

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

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

**Other Matters**

1. We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets and total net assets as at 31st March, 2021, total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the consolidated financial statements based on financial statements audited by other auditors:

(₹ in Crore)

| Name of the Subsidiaries | Total Assets as on March 31, 2021 | Net Assets as on March 31, 2021 | Total Revenues for the year ended March 31, 2021 | Net Cash Inflows/ (Outflows) |
|---|---|---|---|---|
| NHDC Limited | 7989.03 | 5692.54 | 1348.42 | 210.81 |
| Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited) | 154.31 | 151.88 | 0.02 | (0.06) |
| Bundelkhand Saur Urja Limited (BSUL) | 62.80 | 48.67 | 0.13 | 33.97 |
| Lanco Teesta Hydro Power Limited (LTHPL) | 1050.23 | 1036.16 | - | 23.59 |
| Jal Power Corporation Limited | 188.31 | 188.16 | - | 0.10 |
| **Total** | **9444.68** | **7117.41** | **1348.57** | **268.41** |

2. The consolidated Ind AS financial statements also include the group share of net profit in respect of a Joint Venture including other comprehensive income for the year ended 31st March, 2021 considered as under based on financial statements not audited by us:

(₹ in Crore)

| Name of the Company | Group share in Net Profit for the year ended 31st March, 2021 | Group share in Net Other Comprehensive Income for the year ended 31st March, 2021 | Group share–Total |
|---|---|---|---|
| Chenab Valley Power Projects (P) Limited (CVPPPL) | (1.64) | - | (1.64) |

3. The financial statements referred in Para 1 and 2 above have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture, is based solely on the reports of the other auditors.

4. The consolidated Ind AS financial statements also includes the group share of net profit in respect of a Joint Venture including other comprehensive income for the year ended 31st March, 2021 considered as under based on financial statements not audited by us:

(₹ in Crore)

| Name of the Company | Group share in Net Profit for the year ended 31st March, 2021 | Group share in Net Other Comprehensive Income for the year ended 31st March, 2021 | Group share – Total |
|---|---|---|---|
| National High Power Test Laboratory Private Limited (NHPTL) | (3.85) | - | (3.85) |

This financial information is unaudited and has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included as above, is based solely on unaudited financial information. In our opinion and according to information and explanations given to us by the Management, these financial information are not material to the Group.

5. The other Auditors of the aforesaid components excluding NHDC Limited and Bundelkhand Saur Urja Limited have not reported the Key Audit Matters in their Auditors' Report.

6. In case of component Chenab Valley Power Projects (P) Limited, "Information Other than the Financial Statements and Auditors' Report Thereon" have not been reported in Auditors' Report.

   In the absence of the same, we are unable to incorporate these matters for all the companies

7. Due to the ongoing COVID-19 pandemic and recent surge in number of affected cases and the lockdown imposed by State Governments, audit processes and procedures were carried out through remote access of the books of account/records and necessary documents/information made available to us by the management through digital medium. Accordingly relevant documents and supporting although available in E- form as such could not be verified by us in primary and original form.

8. The financial statements for the year ended 31st March 2020 have been audited by then Joint auditors of the Company. one of them were predecessor audit firms and had expressed an unmodified opinion vide their report dated 27th June 2020. Reliance has been placed on the figures and other information incorporated for the purpose of these financial statements.

   Our opinion on Consolidated Financial Statements in respect of our reliance on work performed and reports submitted by independent auditors on the financial statement of Subsidiaries and Joint Venture and other matters as stated in para 1 to 8 above is not modified.

**Report on Other Legal and Regulatory Requirements**

As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of other auditors on separate Financial Statements and on the other financial information of subsidiaries and joint ventures, as noted in 'Other Matters' paragraph above, we report, to the extent applicable, that:

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

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

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

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act

e) in terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable to the Group and its Joint Ventures as it is a government Company;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its Joint Ventures and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the Auditors' Report of the Holding Company, Subsidiaries and Joint Ventures which have been audited. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group and its Joint Ventures; and

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

   i. The Consolidated Financial Statement have disclosed the impact of pending litigations on its financial position of the Group and its Joint Ventures – Refer Note no. 34 para 2 to the Consolidated financial statements.

   ii. The Group and its Joint Venture did not have any material foreseeable losses against long-term contracts including derivative contracts and thereby requirements for making provision in this respect is not applicable to the Group and its Joint Venture.

   iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its Joint Ventures.

   iv. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

| | | |
|---|---|---|
| For Arora Vohra & Co. | For K G Somani & Co. | For Lodha & Co. |
| Chartered Accountants | Chartered Accountants | Chartered Accountants |
| Firm's ICAI Registration No.: 009487N | Firm's ICAI Registration No.:006591N | Firm's ICAI Registration No.:301051E |
| CA Narinder Malik | CA Bhuvnesh Maheshwari | CA R P Singh |
| Partner | Partner | Partner |
| M. No. 097008 | M. No.088155 | M. No. 052438 |
| UDIN:21097008AAAABZ4552 | UDIN:21088155AAAAAW3635 | UDIN:21052438AAAABX8635 |
| Place: Ludhiana | New Delhi | Kolkata |
| Date: 10th June 2021 | Date: 10th June 2021 | Date: 10th June 2021 |

## ANNEXURE "A"

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to financial statements of **NHPC Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

**Opinion**

In our opinion, ,to the best of our information and according to the explanations given to us the Holding Company, subsidiary companies and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Other Matters**

i. Due to the ongoing COVID-19 pandemic and recent surge in number of affected cases and the lockdown imposed by State Governments, audit processes and procedures were carried out through remote access of the books of account/records and other necessary documents/information made available to us by the management through digital medium. Accordingly relevant documents and supporting although available in E- form as such could not be verified by us in primary and original form.

ii. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to five subsidiaries, is based on the corresponding reports of the auditors of such companies incorporated in India.

iii. In case of Joint Venture Chenab Valley Power Projects (P) Limited, Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act is not applicable, where as in case of National High Power Test Laboratory Private Limited (NHPTL), an another Joint Venture, the financial statements are unaudited.

   Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to two joint venture incorporated in India, whose financial statements / financial information are either unaudited or otherwise requirement with respect to reporting of Internal Financial Control is not applicable. Our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Group, as explained by the management, is not affected as these financial statements/ financial information are not material to the Group.

   Our opinion on Consolidated Financial Statements in respect of our reliance on work performed and reports submitted by independent auditors on the financial statement of Subsidiaries and Joint Venture and other matters as stated in para i to iii above is not modified.

| | | |
|---|---|---|
| For Arora Vohra & Co. | For K G Somani & Co. | For Lodha & Co. |
| Chartered Accountants | Chartered Accountants | Chartered Accountants |
| Firm's ICAI Registration No.: 009487N | Firm's ICAI Registration No.:006591N | Firm's ICAI Registration No.:301051E |
| CA Narinder Malik | CA Bhuvnesh Maheshwari | CA R P Singh |
| Partner | Partner | Partner |
| M. No. 097008 | M. No.088155 | M. No. 052438 |
| UDIN:21097008AAAABZ4552 | UDIN:21088155AAAAAW3635 | UDIN:21052438AAAABX8635 |
| Place: Ludhiana | Place: New Delhi | Place: Kolkata |
| Date: 10th June 2021 | Date: 10th June 2021 | Date: 10th June 2021 |

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Crore)

| | PARTICULARS | Note No. | As at 31st March, 2021 | As at 31st March, 2020 | As at 1st April, 2019 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **(1)** | **NON-CURRENT ASSETS** | | | | |
| a) | Property, Plant and Equipment | 2.1 | 19,327.24 | 21,630.33 | 23,116.24 |
| b) | Capital Work In Progress | 2.2 | 19,067.91 | 17,180.41 | 15,036.80 |
| c) | Right Of Use Assets | 2.3 | 2,647.01 | 2,766.31 | - |
| d) | Investment Property | 2.4 | 4.49 | 4.49 | 4.49 |
| e) | Intangible Assets | 2.5 | 3.52 | 0.72 | 1,855.90 |
| f) | Intangible Assets under development | 2.6 | 0.17 | - | |
| g) | Investments accounted for using the equity method | 2.6.1 | 1,326.89 | 933.53 | 792.65 |
| h) | **Financial Assets** | | | | |
| | i) Investments | 3.1 | 515.35 | 464.13 | 490.20 |
| | ii) Loans | 3.2 | 969.30 | 820.81 | 770.08 |
| | iii) Others | 3.3 | 8,958.18 | 7,567.27 | 7,515.05 |
| i) | Non Current Tax Assets (Net) | 4 | 10.07 | 153.29 | 145.87 |
| j) | Other Non Current Assets | 5 | 3,593.28 | 3,049.20 | 2,041.60 |
| | **TOTAL NON CURRENT ASSETS** | | **56,423.41** | **54,570.49** | **51,768.88** |
| **(2)** | **CURRENT ASSETS** | | | | |
| a) | Inventories | 6 | 133.69 | 126.62 | 125.18 |
| b) | **Financial Assets** | | | | |
| | i) Trade Receivables | 7 | 3,409.88 | 3,583.22 | 2,541.31 |
| | ii) Cash and Cash Equivalents | 8 | 447.27 | 42.17 | 25.04 |
| | iii) Bank balances other than Cash and Cash Equivalents | 9 | 1,809.55 | 1,651.10 | 2,220.21 |
| | iv) Loans | 10 | 52.87 | 51.01 | 48.81 |
| | v) Others | 11 | 2,940.95 | 3,535.17 | 2,539.79 |
| c) | Current Tax Assets (Net) | 12 | 188.32 | 175.11 | 152.04 |
| d) | Other Current Assets | 13 | 387.18 | 397.01 | 325.05 |
| | **TOTAL CURRENT ASSETS** | | **9,369.71** | **9,561.41** | **7,977.43** |
| **(3)** | Regulatory Deferral Account Debit Balances | 14 | 7,363.93 | 7,136.85 | 6,979.14 |
| | **TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES** | | **73,157.05** | **71,268.75** | **66,725.45** |
| **EQUITY AND LIABILITIES** | | | | | |
| **(1)** | **EQUITY** | | | | |
| (a) | Equity Share Capital | 15.1 | 10,045.03 | 10,045.03 | 10,045.03 |
| (b) | Other Equity | 15.2 | 23,045.26 | 21,335.89 | 20,752.78 |
| | **Total Equity attributable to owners of the Company** | | **33,090.29** | **31,380.92** | **30,797.81** |
| (c) | Non-controlling interests | 15.3 | 2,828.40 | 2,773.76 | 2,868.47 |
| | **TOTAL EQUITY** | | **35,918.69** | **34,154.68** | **33,666.28** |

| | PARTICULARS | Note No. | As at 31st March, 2021 | As at 31st March, 2020 | As at 1st April, 2019 |
|---|---|---|---|---|---|
| **(2)** | **LIABILITIES** | | | | |
| | **NON-CURRENT LIABILITIES** | | | | |
| a) | **Financial Liabilities** | | | | |
| | i) Borrowings | 16.1 | 21,243.27 | 20,891.80 | 17,044.63 |
| | ii) Other financial liabilities | 16.2 | 2,055.25 | 2,060.29 | 2,059.44 |
| b) | Provisions | 17 | 29.69 | 55.56 | 46.94 |
| c) | Deferred Tax Liabilities (Net) | 18 | 3,852.00 | 3,859.22 | 4,720.68 |
| d) | Other non-current Liabilities | 19 | 3,097.28 | 3,199.47 | 2,986.06 |
| | **TOTAL NON - CURRENT LIABILITIES** | | **30,277.49** | **30,066.34** | **26,857.75** |
| **(3)** | **CURRENT LIABILITIES** | | | | |
| a) | **Financial Liabilities** | | | | |
| | i) Borrowings | 20.1 | 726.03 | 714.31 | 416.00 |
| | ii) Trade Payables | 20.2 | | | |
| | Total outstanding dues of micro enterprises and small enterprises | | 36.19 | 22.96 | 19.38 |
| | Total outstanding dues of Creditors other than micro enterprises and small enterprises | | 177.19 | 293.70 | 176.89 |
| | iii) Other financial liabilities | 20.3 | 2,973.47 | 2,923.46 | 2,897.06 |
| b) | Other Current Liabilities | 21 | 681.70 | 902.44 | 1,157.70 |
| c) | Provisions | 22 | 1,573.61 | 1,442.94 | 1,534.39 |
| d) | Current Tax Liabilities (Net) | 23 | 35.02 | - | - |
| | **TOTAL CURRENT LIABILITIES** | | **6,203.21** | **6,299.81** | **6,201.42** |
| (4) | Regulatory Deferral Account Credit Balances | 14.2 | 757.66 | 747.92 | |
| | **TOTAL EQUITY AND LIABILITIES** | | **73,157.05** | **71,268.75** | **66,725.45** |
| | Accompanying notes to the Consolidated Financial Statement | 1-35 | | | |
| | The figures as at 31st March 2020 and 1st April 2019 as given above are restated (Note No.-35) | | | | |

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N

**For K. G. Somani & Co.**
Chartered Accountants
FRN: 006591N

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E

**(CA Narinder Malik)**
Partner
M. No. 097008

**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**(CA R.P. Singh)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2021

(₹ in Crore)

| | PARTICULARS | Note No. | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|---|
| **INCOME** | | | | |
| i) | Revenue from Operations | 24.1 | 9,647.89 | 10,007.81 |
| ii) | Other Income | 24.2 | 1,057.15 | 768.83 |
| | **TOTAL INCOME** | | **10,705.04** | **10,776.64** |
| **EXPENSES** | | | | |
| i) | Purchase of Power - Trading | 25.1 | 212.37 | 234.13 |
| ii) | Generation Expenses | 25.2 | 857.55 | 904.33 |
| iii) | Employee Benefits Expenses | 26 | 1,540.40 | 1,676.09 |
| iv) | Finance Costs | 27 | 649.95 | 795.98 |
| v) | Depreciation and Amortization Expenses | 28 | 1,298.30 | 1,614.04 |
| vi) | Other Expenses | 29 | 1,690.22 | 1,699.39 |
| | **TOTAL EXPENSES** | | **6,248.79** | **6,923.96** |
| **PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | **4,456.25** | **3,852.68** |
| | **Share of Net Profit of Joint Ventures accounted for using the equity method** | 2.6.2 | (5.49) | 3.04 |
| | Exceptional items | 34 (32) | 185.00 | - |
| **PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX** | | | **4,265.76** | **3,855.72** |
| | **Tax Expenses** | 30.1 | | |
| i) | Current Tax | | 925.87 | 897.74 |
| ii) | Deferred Tax | | (24.89) | (977.14) |
| | **Total Tax Expenses** | | **900.98** | **(79.40)** |
| **PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES** | | | **3,364.78** | **3,935.12** |
| | Movement in Regulatory Deferral Account Balances (Net of Tax) | 31 | 217.35 | (590.21) |
| **PROFIT FOR THE YEAR (A)** | | | **3,582.13** | **3,344.91** |
| | **OTHER COMPREHENSIVE INCOME (B)** | 30.2 | | |
| | **(i) Items that will not be reclassified to profit or loss** | | | |
| | (a) Items that will not be reclassified to profit or loss (Net of Tax) | | (40.08) | 36.29 |
| | Less:- Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | | 2.75 | 8.80 |
| | Share of Other Comprehensive Income of Joint Ventures accounted for using the equity method | 2.6.3 | - | (0.01) |
| | **Sub total (a)** | | **(42.83)** | **27.48** |
| | (b) Investment in Equity Instruments | | 47.13 | (42.09) |
| | **Sub total (b)** | | **47.13** | **(42.09)** |
| | **Total (i)=(a)+(b)** | | **4.30** | **(14.61)** |

| PARTICULARS | Note No. | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **(ii) Items that will be reclassified to profit or loss** | | | |
| - Investment in Debt Instruments | | 3.23 | 12.10 |
| **Total (ii)** | | **3.23** | **12.10** |
| **Other Comprehensive Income (B)=(i+ii)** | | **7.53** | **(2.51)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) (COMPRISING PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR)** | | **3,589.66** | **3,342.40** |
| **Profit is attributable to:** | | | |
| **Owners** | | 3,257.00 | 2,884.92 |
| **Non-Controlling interests** | | 325.13 | 459.99 |
| | | **3,582.13** | **3,344.91** |
| **Other comprehensive income is attributable to:** | | | |
| **Owners** | | 7.37 | (1.59) |
| **Non-Controlling interests** | | 0.16 | (0.92) |
| | | **7.53** | **(2.51)** |
| **Total comprehensive income is attributable to:** | | | |
| **Owners** | | 3,264.37 | 2,883.33 |
| **Non-Controlling interests** | | 325.29 | 459.07 |
| | | **3,589.66** | **3,342.40** |
| **Total comprehensive income attributable to owners arises from:** | | | |
| **Continuing operations** | | 3,264.37 | 2,883.33 |
| **Discontinued operations** | | - | - |
| | | **3,264.37** | **2,883.33** |
| **"Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)"** | 34(14) | | |
| **Before movements in Regulatory Deferral Account Balances** | | 3.03 | 3.46 |
| **After movements in Regulatory Deferral Account Balances** | | 3.24 | 2.87 |

Accompanying notes to the Consolidated Financial Statements 1-35

The figures as at 31st March 2020 as given above are restated (Note No.-35)

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N

**(CA Narinder Malik)**
Partner
M. No. 097008

**For K. G. Somani & Co.**
Chartered Accountants
FRN: 006591N

**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E

**(CA R.P. Singh)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

## STATEMENT OF CONSOLIDATED CASH FLOWS
## FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Crore)

| | | For the Year ended 31st March, 2021 | | For the Year ended 31st March, 2020 | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | **Profit before tax for the year including movements in Regulatory Deferral Account Balance** | | 4,483.11 | | 3,265.51 |
| | Less: Movement in Regulatory Deferral Account Balances | | 217.35 | | (590.21) |
| | **Profit before Tax** | | **4,265.76** | | **3,855.72** |
| | **ADD :** | | | | |
| | Depreciation and Ammortisation | 1,298.30 | | 1,614.04 | |
| | Finance Costs | 649.95 | | 795.98 | |
| | Provisions (Net) | 285.22 | | 156.59 | |
| | Tariff Adjustment (loss) | 58.37 | | 27.79 | |
| | Sales adjustment on account of Exchange Rate Variation | 50.03 | | 42.94 | |
| | Loss (Profit) on sale of assets/Claims written off | 9.07 | | 4.48 | |
| | | | 2,350.94 | | 2,641.82 |
| | | | **6,616.70** | | **6,497.54** |
| | **LESS :** | | | | |
| | Advance against Depreciation written back | 52.73 | | 48.38 | |
| | Provisions (Net gain) | 21.82 | | 5.22 | |
| | Dividend Income | 9.00 | | 4.80 | |
| | Interest Income including Late Payment Surcharge | 804.26 | | 566.55 | |
| | Exchange rate variation | 34.21 | | (50.15) | |
| | Other Adjustments | (1.00) | | (2.61) | |
| | Fair Value Adjustments | (1.05) | | (2.04) | |
| | Amortisation of Government Grants | 96.04 | | 98.46 | |
| | Share of Net Profit /(Loss) of Joint Ventures (accounted for using the equity method) | (5.49) | | 3.04 | |
| | | | 1,010.52 | | 671.65 |
| | **Cash flow from Operating Activities before Operating Assets and Liabilities adjustments** | | **5,606.18** | | **5,825.89** |
| | **Changes in Operating Assets and Liabilities:** | | | | |
| | Inventories | (7.16) | | (1.69) | |
| | Trade Receivables | 961.50 | | (1,719.22) | |
| | Other Financial Assets, Loans and Advances | (651.83) | | (83.39) | |
| | Other Financial Liabilities and Provisions | (110.58) | | (184.39) | |
| | | | 191.93 | | (1,988.69) |
| | **Cash flow from operating activities before taxes** | | **5,798.11** | | **3,837.20** |
| | Less : Taxes Paid | | 725.31 | | 844.67 |
| | **NET CASH FROM OPERATING ACTIVITIES (A)** | | **5,072.80** | | **2,992.53** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | Purcase of Property, Plant and Equipment, Other Intangible Assets & Expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year) - **Net of Grant** | | (1,981.96) | | (3,631.74) |
| | Sale of Assets | | 0.25 | | 0.52 |
| | Realization/ (Payments) for Investments / Bonds / Bank Deposits | | 80.19 | | 253.35 |

| | | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| | Investment in Joint Venture (Including Share Application Money Pending) | (500.00) | (140.45) |
| | Proceeds from Sale of Investments | 0.40 | - |
| | Dividend Income | 9.00 | 4.80 |
| | Interest Income including Late Payment Surcharge | 861.96 | 526.46 |
| | **NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES (B)** | **(1,530.16)** | **(2,987.06)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Equity proceeds from Non-Controlling Interest | - | 2.50 |
| | Dividend and Tax on Dividend Paid (including Non-Controlling Interests) | (1,848.80) | (2,897.44) |
| | Proceeds from Borrowings | 2,327.03 | 6,015.71 |
| | Repayment of Borrowings | (2,115.98) | (1,773.05) |
| | Interest and Finance Charges | (1,495.92) | (1,332.61) |
| | Repayment of Lease Liability | (3.87) | (3.45) |
| | **NET CASH FLOW FROM/USED IN FINANCING ACTIVITIES (C)** | **(3,137.54)** | **11.66** |
| **D.** | **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)** | **405.10** | **17.13** |
| | Cash and Cash Equivalents at the beginning of the year | 42.17 | 25.04 |
| | Cash and Cash Equivalents at the close of the year | 447.27 | 42.17 |

* The above Statement of Cash Flows is prepared in accordance with the Indirect method prescribed in Ind AS 7 - "Statement of Cash Flows".

** The figure for the year ended 31.03.2020 as given above are restated (Refer Note 35)

**EXPLANATORY NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS**

1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash and Cash equivalents is as under:

(₹ in Crore)

| **Balances with Banks** | **As at 31st March, 2021** | **As at 31st March, 2020** |
|---|---|---|
| With scheduled Banks: | | |
| - In Current Account | 231.31 | 41.11 |
| - In Deposits Account | 215.95 | 1.05 |
| (Deposits with original maturity of less than three months) | | |
| **Cash on Hand** | **0.01** | **0.01** |
| **Cash and Cash equivalents** | **447.27** | **42.17** |

2 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 840.53 Crore (Previous year ₹ 462.90 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).

3 Amount of undrawn loan as on 31.03.2021 : ₹ 475.00 Crore (Previous Year ₹ 925.00 Crore)

4 Company has incurred ₹ 95.99 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2021 (Previous Year ₹ 147.54 Crore)

5 **Net debt reconciliation**

(₹ in Crore)

| | **31/03/2021** | **31/03/2020** |
|---|---|---|
| Cash and Cash Equivalents | 447.27 | 42.17 |
| Current Borrowings | (726.03) | (714.31) |
| Non current Borrowings (Including Interest accrued) | (23284.82) | (23138.70) |
| Lease Liability | (15.10) | (16.35) |
| **Net Debt** | **(23578.68)** | **(23827.19)** |

(₹ in Crore)

| Particulars | Other assets | Liabilities from Financing Activities | | | Total |
|---|---|---|---|---|---|
| | Cash & Cash Equivalents | Non-current borrowings (Including Interest accrued) | Lease Liability | Current borrowings | |
| **Net debt as at 31st March 2019** | **25.04** | **(19,234.76)** | **-** | **(416.01)** | **(19,625.73)** |
| Lease recognised under Ind AS 116 as on 01/04/2019 | - | - | (17.46) | - | (17.46) |
| Cash flows | 17.13 | (3,944.34) | 3.45 | (298.31) | (4,222.07) |
| Lease Liability | - | - | (2.42) | - | (2.42) |
| Foreign exchange adjustments | - | (120.23) | - | - | (120.23) |
| Interest expense | - | (1,320.31) | (1.31) | (15.96) | (1,337.58) |
| Interest paid | - | 1,262.20 | 1.25 | 15.97 | 1,279.42 |
| Fair value adjustments | - | 218.74 | 0.14 | - | 218.88 |
| **Net debt as at 31st March 2020** | **42.17** | **(23,138.70)** | **(16.35)** | **(714.31)** | **(23,827.19)** |

(₹ in Crore)

| Particulars | Other assets | Liabilities from Financing Activities | | | Total |
|---|---|---|---|---|---|
| | Cash & Cash Equivalents | Non-current borrowings (Including Interest accrued) | Lease Liability | Current borrowings | |
| **Net debt as at 31st March 2020** | **42.17** | **(23,138.70)** | **(16.35)** | **(714.31)** | **(23,827.19)** |
| Cash flows | 405.10 | (199.17) | 4.24 | (11.72) | 198.45 |
| Lease Liability | - | - | (3.57) | - | (3.57) |
| Foreign exchange adjustments | - | 49.71 | - | - | 49.71 |
| Interest expense | - | (1,448.92) | (1.13) | (2.13) | (1,452.18) |
| Interest paid | - | 1,431.30 | 1.13 | 2.13 | 1,434.56 |
| Fair value & Other adjustments | - | 20.96 | 0.58 | - | 21.54 |
| **Net debt as at 31st March 2021** | **447.27** | **(23,284.82)** | **(15.10)** | **(726.03)** | **(23,578.68)** |

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N

**For K. G. Somani & Co.**
(Chartered Accountants)
FRN: 006591N

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E

**(CA Narinder Malik)**
Partner
M. No. 097008

**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**(CA R.P. Singh)**
Partner
M. No. 052438

Place : Faridabad
Date : 10th June, 2021

# STATEMENT OF CHANGES IN EQUITY AS AT 31ST March, 2021

**A. EQUITY SHARE CAPITAL**

| Particulars | Note No. | Amount (₹ in Crore) |
|---|---|---|
| **As at 1st April 2020** | 15.1 | 10,045.03 |
| Changes in Equity Share Capital | | - |
| **As at 31st March 2021** | 15.1 | 10,045.03 |

**B. OTHER EQUITY**

(₹ in Crore)

| Particulars | Reserve and Surplus | | | | | | Other Comprehensive Income | | Total | Non-Controlling Interest (NCI) | Total after NCI |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Bond Redemption Reserve | Corporate Social Responsibility Fund | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | | | |
| **Balance as at 1st April, 2020** | 40.93 | 2,255.71 | 1,948.38 | 3.61 | 11,544.83 | 5,466.04 | 42.18 | 34.21 | 21,335.89 | 2,773.76 | 24,109.65 |
| Profit for the year | | | | | | 3,257.00 | | | 3,257.00 | 325.13 | 3,582.13 |
| Other Comprehensive Income | | | | | | (42.99) | 3.23 | 47.13 | 7.37 | 0.16 | 7.53 |
| **Total Comprehensive Income for the year** | - | - | - | - | - | 3,214.01 | 3.23 | 47.13 | 3,264.37 | 325.29 | 3,589.66 |
| **Issue of Equity Shares during the year.** | | | | | | | | | - | | - |
| Capital Reserve on Business Acquisition (Refer Note 34(32)) | 23.15 | | | | | | | | 23.15 | | 23.15 |
| **Transfer from Retained Earning** | | | | | | | | | | | |
| Transaction with Non-Controlling Interest | | | | | | 0.69 | | | 0.69 | (0.69) | - |
| Amount transferred from Bond Redemption Reserve to Surplus/Retained Earnings | | | (306.43) | | | 306.43 | | | - | | - |
| Amount transferred from Corporate Social Responsibility Fund | | | | (3.61) | | 1.84 | | | (1.77) | 1.77 | - |
| Dividend paid | | | | | | (1,577.07) | | | (1,577.07) | (271.73) | (1,848.80) |
| **Balance as at 31st March, 2021** | **64.08** | **2,255.71** | **1,641.95** | **-** | **11,544.83** | **7,411.94** | **45.41** | **81.34** | **23,045.26** | **2,828.40** | **25,873.66** |

**Refer Note No. 15.2.1 for nature and purpose of Reserve.**

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N
**(CA Narinder Malik)**
Partner
M. No. 097008

**For K. G. Somani & Co.**
Chartered Accountants
FRN: 006591N
**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E
**(CA R. P. SINGH)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

# STATEMENT OF CHANGES IN EQUITY AS AT 31ST March, 2020

**A. EQUITY SHARE CAPITAL**

| Particulars | Note No. | Amount (₹ in Crore) |
|---|---|---|
| **As at 1st April 2019** | 15.1 | 10,045.03 |
| Changes in Equity Share Capital | | - |
| **As at 31st March 2020** | 15.1 | 10,045.03 |

**B. OTHER EQUITY**

(₹ in Crore)

| Particulars | Reserve and Surplus | | | | | | Other Comprehensive Income | | Total | Non-Controlling Interest (NCI) | Total after NCI |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Bond Redemption Reserve | Corporate Social Responsi-bility Fund | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | | | |
| **Balance as at 1st April, 2019** | - | 2,255.71 | 2,193.35 | 11.38 | 11,417.14 | 4,768.82 | 30.08 | 76.30 | 20,752.78 | 2,868.47 | 23,621.25 |
| Profit for the year | | | | | | 2,884.92 | | | 2,884.92 | 459.99 | 3,344.91 |
| Other Comprehensive Income | | | | | | 28.40 | 12.10 | (42.09) | (1.59) | (0.92) | (2.51) |
| **Total Comprehensive Income for the year** | - | - | - | - | - | 2,913.32 | 12.10 | -42.09 | 2,883.33 | 459.07 | 3,342.40 |
| **Issue of Equity Shares during the year.** | | | | | | | | | - | 2.50 | 2.50 |
| Capital Reserve on Business Acquisition (Refer Note 34(32)) | 40.93 | | | | | | | | 40.93 | | 40.93 |
| **Transfer from Retained Earning** | | | | | | | | | - | | - |
| Transaction with Non-Controlling Interest | | | | | | (0.16) | | | (0.16) | 0.16 | - |
| Transfer to CSR Reserve | | | | 0.22 | | (0.11) | | | 0.11 | (0.11) | 0.00 |
| **Transfer to Retained Earning** | | | | | | | | | - | | - |
| Amount transferred from Bond Redemption Reserve | | | (244.97) | | | 244.97 | | | - | | - |
| Amount transferred from Corporate Social Responsibility Fund | | | | (7.99) | | 4.08 | | | (3.91) | 3.91 | - |
| Amount Transferred from/(to) General Reserve | | | | | - | (127.69) | | | (127.69) | | (127.69) |
| **Transfer from Retained Earning** | | | | | 127.69 | | | | 127.69 | | 127.69 |
| Dividend | | | | | | (1,938.69) | | | (1,938.69) | (464.72) | (2,403.41) |
| Tax on Dividend | | | | | | (398.50) | | | (398.50) | (95.52) | (494.02) |
| **Balance as at 31st March, 2020** | **40.93** | **2,255.71** | **1,948.38** | **3.61** | **11,544.83** | **5,466.04** | **42.18** | **34.21** | **21,335.89** | **2,773.76** | **24,109.65** |

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
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**(CA Bhuvnesh Maheshwari)**
Partner
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**For Lodha & Co.**
Chartered Accountants
FRN: 301051E

**(CA R. P. SINGH)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

# NOTE NO. 1: GROUP INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

## (I) Reporting entity

NHPC Limited (the "Company") is a Company domiciled in India and limited by shares. The shares of the Company are listed and traded on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange India Limited (BSE) in India. The address of the Company's registered office is NHPC Limited, NHPC Office Complex, Sector-33, Faridabad, Haryana- 121003.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its joint ventures. The Group is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business in which the Company is involved includes providing project management/construction contracts/ consultancy assignment services and trading of power.

## (II) Basis of preparation

### (A) Statement of Compliance

These consolidated 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.

The Group's consolidated financial statements have been approved for issue by the Board of Directors on 10th June, 2021.

### (B) Basis of Measurement

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

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans.

The methods used to measure fair values are discussed in Note 33.

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 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.

### (C) Application of new and revised standards

During the year, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2020 which has brought about certain amendments in the existing Indian Accounting Standards. Impact of these amendments are disclosed hereunder:

(i) **Ind AS 1- Presentation of Financial Statements:** The Companies (Indian Accounting Standards) Amendment Rules, 2020 has amended the definition of "materiality" under Ind AS 1. Consequential amendments have also been made in Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, Ind AS 10- Events after the Reporting Period, Ind AS 34- Interim Financial Reporting and Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. There is, however, no material impact on the financial statements.

(ii) **Ind AS 116- Leases:** The Companies (Indian Accounting Standards) Amendment Rules, 2020 permit lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. There is, however, no material impact on the financial statements.

(iii) **Ind AS 103-Business Combinations:** The Companies (Indian Accounting Standards) Amendment

Rules, 2020 has amended the definition of "business" whereby emphasis is given on goods and services provided to customers. Further, to be considered as a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create an output. There is, however, no material impact on the financial statements.

**(iv)** Amendments/revision in other standards are either not applicable or do not have any material impact on the financial statements.

**(D) Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All financial information presented in INR has been rounded off to the nearest Crore (upto two decimals) except where indicated otherwise.

**(E) Basis of Consolidation**

**a) Subsidiaries**

i) A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date such control ceases.

ii) The Group combines the financial statements of the parent and its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. The carrying amounts of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses on transactions between Group companies are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

iii) Non-controlling interests are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Balance Sheet, consolidated Statement of Profit and Loss and consolidated Statement of Changes in Equity.

iv) A change in the ownership interest of a subsidiary which does not result in a loss of control, is accounted for as an equity transaction.

v) If the Group loses control over a subsidiary, it derecognizes the assets, liabilities, carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost, with the resulting gain/ loss recognised in the Statement of Profit and Loss.

**b) Joint ventures**

i) A joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognised at cost and thereafter accounted for using the equity method.

ii) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the net assets of the investee. The Group's share of the post-acquisition profits or losses and other comprehensive income of the investee are included in the Statement of Profit and Loss and Other Comprehensive Income of the Group. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

iii) When the Group's share of losses in a joint venture equals or exceeds its investment in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

iv) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses on transactions between the Group and its joint ventures are also eliminated to the extent of the Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the group.

v) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Profit and Loss.

vi) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognised in the Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that joint venture are reclassified to the Statement of Profit and Loss.

**(F) Use of estimates and management judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures including contingent assets and contingent liabilities at the Balance Sheet date. The estimates and management's judgements are based on previous experience and 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 recognised 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 judgements in applying accounting policies that may have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

**Critical judgments and estimates**

**a) Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116, Leases. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the customer has both of the following:

a. the right to obtain substantially all of the economic benefits from use of the identified asset; and

b. the right to direct the use of the identified asset.

To control the use of an identified asset, a customer is required to have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use. A customer has the right to direct the use of an identified asset throughout the period of use if the customer has the right to direct how and for what purpose the asset is used throughout the period of use.

The Group also uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the power station's economic life and the minimum lease payments amount to substantially all the fair value of the power station are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on a straight-line basis over the lease term. The respective leased assets are included in the Balance Sheet based on their nature.

**b) Useful life of Property, Plant and Equipment and Intangible Assets**

The estimated useful life of property, plant and equipment and intangible assets are 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 used for generation of electricity is determined by the Central Electricity Regulatory Commission (CERC) Tariff Regulations as mentioned in part B of Schedule II of the Companies Act, 2013 except for construction plant and machinery and computers and peripherals which are in accordance with useful life as prescribed in Schedule II of the Companies Act, 2013 and mobile phones which are as per management assessment.

**c) Recoverable amount of Property, Plant and Equipment, Capital Work in Progress and Intangible Assets**

The recoverable amount of property, plant and equipment, capital work in progress and intangible assets is based on estimates and assumptions, 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 resulting in impairment.

**d) Post-retirement 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 increase, the inflation rate and expected rate of return on plan assets. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have an impact on the resulting calculations.

**e) Revenue**

The Group records revenue from sale of power based on Tariff approved by the CERC, as per the principles of Ind AS 115- Revenue from Contracts with Customers. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff

Regulations. Further, where tariff are pending revision due to revision in cost estimates, tariffs are computed based on the parameters and methods prescribed under the CERC Tariff Regulations and an estimated amount of revenue is recognised when an application is made to the CERC after obtaining necessary approvals to the extent it is highly probable that there will be no downward adjustment to the revenue recognised.

**f) Provisions and contingencies**

The assessments undertaken in recognising 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 been made on the basis of best judgement by management regarding probable outflow of economic resources. Such estimation can change due to following unforeseeable developments.

**g) Recoverable Amount of Rate Regulated Assets**

The operating activities of the Group are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation and maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the statement of profit and loss in accordance with Ind AS. The Group estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations 2019-24. However, recoverability of these amounts is subject to finalization of tariff by CERC and/or changes in CERC tariff regulations beyond the current tariff period.

**h) Impairment of Trade Receivables**

Considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

**i) Investment in Joint Ventures**

Investment has been carried at cost and as per assessment by the Group, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

**j) Insurance Claim Recoverable**

The recoverable amount of insurance claims in respect of damages to Property, Plant and Equipment, Capital Work in Progress is based on estimates and assumptions as per terms and conditions of insurance policies.

**k) Income taxes**

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

## (III) SIGNIFICANT ACCOUNTING POLICIES:

Summary of the significant accounting policies for the preparation of consolidated financial statements as given below have been applied consistently to all periods presented in the financial statements.These 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. These policies need not be applied when the effect of applying them is immaterial.

Up to March 31, 2015, Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Investment Property were carried in the Balance Sheet in accordance with Indian GAAP. The Group had elected to avail the exemption granted by IND AS 101, "First time adoption of IND AS" to regard those amounts as the deemed cost at the date of transition to IND AS (i.e. as on April 1, 2015). Therefore, the carrying amount of property, plant and equipment, Capital Work in Progress, intangible assets and Investment Property as per the previous GAAP as at April 1, 2015, were maintained on transition to Ind AS.

**1.0 Property, Plant and Equipment (PPE)**

a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/ construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

c) Expenditure incurred on renovation and modernization of power station on completion of the originally estimated useful life of the power station is added to the cost of the related asset when it meets the recognition criteria. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on Environment Management Plans relatable to land in possession are treated as cost of land.

f) Assets over which the Group has control, though created on land not belonging to the Group are included under Property, Plant and Equipment.

g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

h) Spares parts (procured along with the Plant and Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores and spares" forming part of inventory.

i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was, when the item was acquired or inspection carried out.

j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

**2.0 Capital work in Progress (CWIP)**

a) Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are 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 are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets.

c) Capital Expenditure incurred for creation of facilities, over which the Group does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

**3.0 Investment Property**

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

Transfers to or from investment property is made when and only when there is a change in use supported by evidence.

**4.0 Intangible Assets and Intangible Assets under development**

a) Expenditure on research is charged to expenditure as and when incurred. Expenditure on development 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 Group intends to & has sufficient resources to complete development and to use or sell the asset.

b) Intangible assets acquired separately are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

c) 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 Group and the cost of the item can be measured reliably.

d) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**5.0 Foreign Currency Transactions**

a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each reporting date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.

d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 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' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

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

**6.0 Regulatory Deferral Accounts**

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e. not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."

b) Expense/ income recognised 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 recognised as "Regulatory Deferral Account balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) 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 derecognised.

e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

**7.0 Fair value measurement**

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. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Group determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

**8.0 Investments in joint ventures**

Investments in equity shares of joint ventures are accounted for using the Equity Method.

**9.0 Financial assets other than investment in joint ventures**

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual right to receive cash or another financial asset or to exchange financial asset or financial liability under conditions that are potentially favourable to the Group. A financial asset is recognized when and only when the Group becomes party to the contractual provisions of the instrument.

Financial assets of the Group comprise Cash and Cash Equivalents, Bank Balances, Investments in equity shares of companies, Trade Receivables, Loan to employees, security deposit, claims recoverable etc.

**a) Classification**

The Group classifies its financial assets in the following categories:

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit and loss

The classification depends on the following:

(a) The entity's business model for managing the financial assets and

(b) The contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses are either recorded in the Statement of Profit and Loss or under Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

**b) Initial recognition and measurement**

All financial assets are recognised 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 of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

The Group measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

**c) Subsequent measurement**

**Debt instruments at amortised cost**

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

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

ii) 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 amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

**Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)**

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

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

ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments at fair value through Other Comprehensive Income are measured at each reporting date at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in other income using the EIR method.

**Equity investments:**

All equity investments are measured at fair value. Equity instruments which are held for trading,if any, are classified at Fair Value through Profit or Loss (FVTPL). For all other equity instruments, the Group classifies the same as at FVTOCI. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

All fair value changes on an equity instrument classified at FVTOCI, are recognized in the OCI. There is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Trade Receivables:**

Trade receivables containing a significant financing component are subsequently measured at amortised cost using the effective interest method.

**d) Derecognition**

A financial asset is derecognised only when:

i) The Group has transferred the rights to receive cash flows from the financial asset, or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition, the difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.

**e) Impairment of financial assets**

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

i) Financial assets that are debt instruments, and are measured at amortised cost.

ii) Financial assets that are debt instruments and are measured as at FVTOCI

iii) Contract Assets and Trade Receivables under Ind AS 115- Revenue from Contracts with Customers

iv) Lease Receivables under Ind AS 116- Leases.

The Group follows the 'simplified approach' permitted under Ind AS 109, "Financial Instruments" for recognition of impairment loss allowance based on life time expected credit loss from initial recognition on contract assets, lease receivables and trade receivables resulting from transactions within the scope of Ind AS 116 and Ind AS 115.

For recognition of impairment loss on other financial assets, the Group assesses 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. For assessing increase in credit risk and impairment loss, the Group assesses the credit risk characteristics on instrument-by-instrument basis. 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 recognize impairment loss allowance based on 12-month ECL. The amount of expected credit loss /reversal for the period is recognized as expense/income in the Statement of Profit and Loss.

**10.0 Inventories**

Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipment and are valued at cost or net realizable value (NRV) whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Scrap is valued at net realisable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs.

**11.0 Dividends**

Final dividends and interim dividends payable to the shareholders are recognised as change in equity in the period in which they are approved by the Group's shareholders and the Board of Directors respectively.

**12.0 Financial liabilities**

Financial liabilities of the Group are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group.

The Group's financial liabilities include loans and borrowings, trade and other payables.

**a) Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**b) Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

c) **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

d) **Offsetting of financial instruments**

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

e) **Derivative financial instruments**

Derivative financial instruments held by the Group to hedge the foreign currency and interest rate risk exposures and not designated as hedges are accounted for at fair value through profit or loss. Changes in fair value are recognised in the Statement of Profit and Loss.

**13.0 Government Grants**

a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the group will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

**14.0 Provisions, Contingent Liabilities and Contingent Assets**

a) Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. 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 recognised 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 net of any reimbursement is presented in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion.

   If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) 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 Group. 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 management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

c) 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 Group. 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.

**15.0 Revenue Recognition and Other Income**

The Group's revenues arise from sale and trading of energy, project management / construction contracts/ consultancy assignment services and other income. Revenue from other income comprises interest from banks, employees, contractors etc., dividend from investments in equity in other bodies corporate, interest from investment in bonds, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

**a) Revenue from sale of power**

i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over the products or services to a customer.

ii) Revenue from sale of power (except minimum lease receipts in respect of power stations considered as Finance/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 2019 as modified by the orders of Appellate Tribunal for Electricity to the extent applicable.. In the case of Power Stations where provisional/ final tariff is yet to be notified or where incentives/ disincentives are chargeable/ payable as per CERC (Terms & Conditions of Tariff) Regulations, revenue is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue.

iii) Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed (unbilled revenue).

iv) Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are recognised on year to year basis based on regulatory norms. Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.

v) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

vi) Advance Against Depreciation (AAD) considered as deferred income up to 31$^{st}$ March 2009 is included in sales on straight line basis over the balance useful life after a period of 12 years from the date of commercial operation of the Power Station.

**b) Revenue from Project Management / Construction Contracts/ Consultancy assignments**

i) Revenue from Project Management / Construction Contracts/ Consultancy assignments is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Group recognises revenue on the basis of input method. Input method recognises revenue on the basis of the costs incurred towards the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation.

ii) Contract modifications, if any, are accounted for when there is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Contract modifications are recorded on standalone basis when the scope of the contract increases because of the addition of promised goods or services or the price of the contract increases by an amount of consideration that reflects the Group's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**c) Revenue from trading of power**

i) Accounting for revenue from trading of power involves assessment of the contract conditions to determine whether the Group is required to act in the capacity of a principal or as an agent. The Group acts in the nature of a principal in case it obtains control of the electricity before transferring it to the customer. Indicators of control includes assessment of whether the Group is primarily responsible for fulfilling the promise to provide the electricity, it has the discretion to establish the price or whether it bears the inventory risk. Where the Group does not obtain control of the electricity before transferring it to the customer and its performance obligation is to arrange for the supply of electricity by another party, it acts in the nature of an agent.

ii) Where the Group acts as a principal in a contract for trading of power, the amount of the transaction price allocated to the performance obligation that is satisfied is recognised as revenue.

iii) Where the Group acts as an agent in a contract for trading of power, the net consideration retained after paying the supplier for the electricity provided to the customer is recognised as revenue from operations. Financial assets and liabilities arising out of these transactions are not set off.

**d) Other income**

i) Dividend income is recognized when the right to receive the same is established.

ii) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group 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.

iii) Interest/Surcharge recoverable from customers including those arising out of contracts for trading of power and liquidated damages /interest on advances to contractors is recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur in the future.

**16.0 Employee Benefits**

**i) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term performance related cash bonus if the Group 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.

**ii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trusts and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction from future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Employees Defined Contribution Superannuation Scheme (EDCSS) for providing pension benefits and Social Security Scheme administered through separate trusts are accounted as defined contribution plans.

**iii) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's Gratuity Scheme, Retired Employees Health Scheme (REHS), Provident Fund Scheme, Allowance on Retirement/Death and Memento on Superannuation to employees are in the nature of defined benefit plans. All these plans, other than Allowance on Retirement/Death and Memento on Superannuation to employees are administered through separate trusts.

The liability or asset recognised in the Balance Sheet in respect of Gratuity and Retired Employees Health Scheme is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

In respect of Provident Fund Scheme, a liability is recognised in the Balance Sheet where the present value of the defined benefit obligation at the end of the reporting period is higher than the fair value of plan assets. Any surplus of fair value of plan assets over the present value of the defined benefit obligation at the end of the reporting period is not recognised as an asset since the Company does not have any right to the benefits either in the form of refunds from the Plan or by way of lower contribution to the Plan.

The defined benefit obligation is calculated annually by the actuary using the Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion.

Remeasurement gains (except in the case of Provident Fund Scheme) and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in Other Comprehensive Income in the period in which they occur and are included in retained earnings in the Statement of Changes in Equity.

**iv) Other long-term employee benefits**

Benefits under the Group's leave encashment scheme constitute other long term employee benefits.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The 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 Group's obligations. The calculation is performed using the Projected Unit Credit Method. Contributions to the scheme and actuarial gains or losses are recognised in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the period in which they arise.

**v) Termination benefits**

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to the Statement of Profit and Loss in the year of incurrence of such expenses.

**17.0 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 116– 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the 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. All other borrowing costs are expensed in the period in which they occur.

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

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

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

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

**18.0 Depreciation and amortization**

a) Depreciation on additions to /deductions from Property, Plant and Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.

b) (i) Depreciation on Property, Plant and Equipment of Operating Units of the Group capitalized till five years before the end of the useful life of the Power Station is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

(ii Depreciation on Property, Plant and Equipment capitalized during the last five years of the useful life of a Power Station is charged on straight-line method for the period of life extension as per CERC Tariff Regulations/Orders, from the date on which such asset becomes available for use.

(iii) Where the life and / or efficiency of a Power Station is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively on straight-line method over the revised / remaining useful life.

c) i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Group is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.

d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the useful life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant & Machinery
- Computer & Peripherals

ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re 1.

iii) Based on management assessment, depreciation on Roof Top Solar Power System / Equipment is provided on straight line basis over a period of twenty five years with residual value of 10%.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining Re. 1/- as WDV.

f) Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which the asset becomes available for use with Re. 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue in the year of use.

h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.

i) Leasehold Land and buildings of units other than operating units, is amortized over the period of lease or 40 years whichever is lower.

j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

k) Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.

l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.

m) 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, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.

n) Spares parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance useful life of the asset, wherever required.

**19.0 Impairment of non-financial assets other than inventories**

a) The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the

Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.

d) In case a project under Survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

e) Impairment losses recognised 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 amortisation, if no impairment loss had been recognised.

**20.0 Income Taxes**

Income tax expense comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

**a) Current tax**

Current tax is the expected tax payable on the taxable income for the year on the basis of the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years (temporary differences) and it further excludes items that are never taxable or deductible (permanent differences).

**b) Deferred tax**

i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

vii) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and joint ventures where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

**21.0 Compensation from third parties**

Impairments or losses of items, related claims for payments of compensation from third parties including insurance companies and any subsequent purchase or construction of assets/inventory are separate economic events and are accounted for separately.

Compensation from third parties including from insurance companies for items of property, plant and equipment or for other items that were impaired, lost or given up is included in the Statement of Profit and Loss when the compensation becomes receivable. Insurance claims for loss of profit are accounted for based on certainty of realisation.

**22.0 Segment Reporting**

a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.

b) Electricity generation is the principal business activity of the Group. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108.

c) The Group has a single geographical segment as all its Power Stations are located within the Country.

**23.0 Leases**

The Group assesses whether a contract is or contains a lease at the inception of a contract.A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

**i) Group as a Lessee:**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Right to use Assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Assessment of impairment is done using the principles of Ind AS 36- Impairment of Assets as given in Significant Accounting Policy No. 19.0 above.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification..

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the face of the balance sheet.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**ii) Group as a Lessor:**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease receipts are identified by segregating the embedded lease receipts from the contract amounts (including Advance Against Depreciation (AAD) recognised in accordance with CERC Tariff regulations 2004-09 up to 31st March 2009 and considered as deferred income). Each lease receipt is allocated between the receivable and finance lease income forming part of revenue from operations so as to achieve a constant rate of return on the Lease Receivable outstanding.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of Ind AS 109- Financial Instruments, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115- Revenue from Contracts with Customers to allocate the consideration in the contract.

In the case of Operating Leases or embedded operating leases, the lease income from the operating lease is recognised in revenue over the lease term to reflect the pattern of use benefit derived from the leased asset. The respective leased assets are included in the Balance Sheet based on their nature and depreciated over its economic life.

**24.0 Business combinations**

Acquisition of subsidiaries and businesses are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquire, and equity interests issued by the Group in exchange for control of the acquire, if any. The identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognized at the non-controlling interest's proportionate share of the acquirer's net identifiable assets.

Acquisition related costs are recognized in the consolidated statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognized.

Where the fair value of the identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve on consolidation.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognized in shareholder's equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in statement of profit and loss or OCI, as appropriate.

**25.0 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 unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

**26.0 Earnings per share**

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

b) Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Group 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.

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

**27.0 Statement of Cash Flows**

a) **Cash and Cash Equivalents:**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, for Balance Sheet presentation, Bank overdrafts are shown within "Borrowings" under Current Liabilities.

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

**28.0 Current versus non-current classification**

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

**29.0 Miscellaneous**

a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Group.

## (IV) Recent accounting pronouncements: Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. As on date, there is no notification which would have been applicable from April 1, 2020.

✶✶✶

## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjustment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold **(Refer Note 2.1.1 and 2.1.2)** | 398.08 | 16.54 | 0.30 | (0.31) | 414.01 | - | - | - | - | 414.01 | 398.08 |
| Roads and Bridges | 312.38 | 4.45 | 0.11 | (7.31) | 309.41 | 65.73 | 11.68 | (1.17) | 76.24 | 233.17 | 246.65 |
| Buildings | 2,407.30 | 30.78 | 0.52 | (182.43) | 2,255.13 | 440.77 | 76.14 | (31.81) | 485.10 | 1,770.03 | 1,966.53 |
| Railway sidings | 16.57 | - | - | (3.51) | 13.06 | 16.57 | - | (3.51) | 13.06 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 16,973.26 | 19.77 | 0.17 | (989.85) | 16,003.01 | 4,408.43 | 756.14 | (277.16) | 4,887.41 | 11,115.60 | 12,564.83 |
| Generating Plant and machinery | 8,313.65 | 147.22 | 47.24 | (594.18) | 7,819.45 | 2,203.79 | 355.14 | (196.69) | 2,362.24 | 5,457.21 | 6,109.86 |
| Plant and machinery - Sub station | 56.02 | 1.16 | 0.55 | (2.46) | 54.17 | 13.72 | 2.43 | (0.72) | 15.43 | 38.74 | 42.30 |
| Plant and machinery - Transmission lines | 71.08 | 1.27 | - | (1.57) | 70.78 | 22.28 | 4.29 | (0.59) | 25.98 | 44.80 | 48.80 |
| Plant and machinery - Others | 36.21 | 3.70 | 0.19 | (0.44) | 39.28 | 11.93 | 1.96 | (0.13) | 13.76 | 25.52 | 24.28 |
| Construction Plant and Machinery | 54.46 | 2.52 | 0.08 | (4.52) | 52.38 | 23.87 | 3.66 | (1.36) | 26.17 | 26.21 | 30.59 |
| Water Supply System/Drainage and Sewerage | 55.37 | 5.17 | 0.04 | (1.44) | 59.06 | 10.51 | 2.31 | (0.25) | 12.57 | 46.49 | 44.86 |
| Electrical installations | 16.18 | 1.23 | - | (0.21) | 17.20 | 1.62 | 0.71 | (0.02) | 2.31 | 14.89 | 14.56 |
| Vehicles | 22.79 | 1.46 | 0.41 | (0.44) | 23.40 | 8.31 | 1.34 | (0.26) | 9.39 | 14.01 | 14.48 |
| Aircraft/ Boats | 1.91 | 0.17 | 0.05 | (0.10) | 1.93 | 0.47 | 0.14 | (0.03) | 0.58 | 1.35 | 1.44 |
| Furniture and fixture | 38.02 | 2.04 | 0.26 | (1.82) | 37.98 | 11.83 | 2.15 | (0.51) | 13.47 | 24.51 | 26.19 |
| Computer and Peripherals | 45.68 | 7.98 | 1.41 | (1.90) | 50.35 | 30.19 | 6.45 | (2.28) | 34.36 | 15.99 | 15.49 |
| Communication Equipment | 12.26 | 1.23 | 0.17 | (0.08) | 13.24 | 3.70 | 0.65 | (0.14) | 4.21 | 9.03 | 8.56 |
| Office Equipments | 108.89 | 11.50 | 0.82 | (2.43) | 117.14 | 36.06 | 6.61 | (1.21) | 41.46 | 75.68 | 72.83 |
| **TOTAL** | **28,940.11** | **258.19** | **52.32** | **(1,795.00)** | **27,350.98** | **7,309.78** | **1,231.80** | **(517.84)** | **8,023.74** | **19,327.24** | **21,630.33** |
| Previous Year | 28,903.33 | 389.18 | 30.98 | (1.82) | 28,940.11 | 5,787.09 | 1,558.69 | (13.56) | 7,309.78 | 21,630.33 | |

**Note: -**

2.1.1 a) Freehold land amounting to ₹ **6.51 Crore** (Previous year ₹ **6.51 Crore**) covering an area of 1458.55 hectare (Previous year 1458.55 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ **0.0004 Crore** (Previous year ₹ **0.0004 Crore**) covering an area of 0.10 hectare (Previous year 0.10 hectare) is however, yet to be executed/ passed.

b) In respect of Dibang Multipurpose Project, title deeds/title in respect of freehold land which is mutated in favour of NHPC amounting to ₹ **24.90 Crore** (previous year ₹ **13.77 Crore**) covering an area of 98.38 Hectare (previous year 51.38 Hectare) is yet to be executed/passed.

c) In respect of other units, title deeds/title in respect of freehold land amounting to ₹ **6.70 Crore** (Previous year ₹ **6.70 Crore**) covering an area of 92.00 hectare (Previous year 92.00 hectare) is yet to be executed/passed.

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ **100 per annum** as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Adjustments to Gross Block and depreciation include adjustment for amount derecognised from PPE and recognised as Lease Receivables under Financial Assets in respect of TLD-III Power Station which is accounted as Finance Lease under Ind AS 116- Leases. ( Refer Note 34 (18) (B) (ii))

2.1.4 Pending approval of revised cost estimates (RCE) of Sewa-II, Kishanganga, Chamera-III, Teesta Low Dam-III, Uri-II & Teesta Low Dam-IV Power Stations, capital expenditure incurred on these power stations has been considered for capitalisation.

2.1.5 Refer Note No 34(11) of Consolidated Financial Statements for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.6 Refer Note no. 34(5) of Consolidated Financial Statements for information regarding assets capitalised on provisional basis.

2.1.7 Foreign Exchange Rate Variation included in Adjustments to gross block of the assets are as follows: -

(₹ in Crore)

| PARTICULARS | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Roads and Bridges | (1.03) | - |
| Buildings | (7.29) | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | (32.73) | - |
| Generating Plant and machinery | (8.52) | - |
| Plant and machinery Sub station | (0.07) | - |
| Water Supply System/Drainage and Sewerage | (0.04) | - |
| **Total** | **(49.68)** | **-** |

2.1.8 Refer Note no. 34(19) of Consolidated financial statement for information regarding Impairment of Assets.

2.1.9 A piece of land measuring 3835 sq. ft. at Thangal village was donated by Thangal village authority to NHPC Ltd. The said land along with the temporary shed constructed thereto was transferred to the Loktak Downstream Hydroelectric Corporation Ltd (subsidiary of NHPC Ltd) at the time of incorporation. The land is in the possession of the Group but no value has been assigned.

2.1.10 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENTS

### Additional Disclosure of Property, Plant and Equipment

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold | 398.08 | 16.54 | 0.30 | (0.31) | 414.01 | - | - | - | - | 414.01 | 398.08 |
| Roads and Bridges | 406.10 | 4.45 | 0.14 | (7.67) | 402.74 | 159.45 | 11.68 | (1.56) | 169.57 | 233.17 | 246.65 |
| Buildings | 3,133.74 | 30.78 | 0.52 | (194.74) | 2,969.26 | 1,167.21 | 76.14 | (44.12) | 1,199.23 | 1,770.03 | 1,966.53 |
| Railway sidings | 36.10 | - | - | (4.12) | 31.98 | 36.10 | - | (4.12) | 31.98 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 22,919.83 | 19.77 | 0.18 | (1,098.90) | 21,840.52 | 10,355.00 | 756.14 | (386.22) | 10,724.92 | 11,115.60 | 12,564.83 |
| Generating Plant and machinery | 11,293.72 | 147.22 | 53.88 | (660.68) | 10,726.38 | 5,183.86 | 355.14 | (269.83) | 5,269.17 | 5,457.21 | 6,109.86 |
| Plant and machinery - Sub station | 107.52 | 1.16 | 0.72 | (2.55) | 105.41 | 65.21 | 2.43 | (0.97) | 66.67 | 38.74 | 42.30 |
| Plant and machinery - Transmission lines | 98.27 | 1.27 | - | (1.79) | 97.75 | 49.47 | 4.29 | (0.81) | 52.95 | 44.80 | 48.80 |
| Plant and machinery - Others | 52.53 | 3.70 | 0.81 | (0.48) | 54.94 | 28.25 | 1.96 | (0.79) | 29.42 | 25.52 | 24.28 |
| Construction Plant and Machinery | 113.35 | 2.52 | 0.50 | (4.66) | 110.71 | 82.76 | 3.66 | (1.92) | 84.50 | 26.21 | 30.59 |
| Water Supply System/Drainage and Sewerage | 65.16 | 5.17 | 0.04 | (1.49) | 68.80 | 20.30 | 2.31 | (0.30) | 22.31 | 46.49 | 44.86 |
| Electrical installations | 17.37 | 1.23 | - | (0.22) | 18.38 | 2.81 | 0.71 | (0.03) | 3.49 | 14.89 | 14.56 |
| Vehicles | 33.14 | 1.46 | 0.77 | (0.44) | 33.39 | 18.66 | 1.34 | (0.62) | 19.38 | 14.01 | 14.48 |
| Aircraft/ Boats | 2.15 | 0.17 | 0.05 | (0.11) | 2.16 | 0.71 | 0.14 | (0.04) | 0.81 | 1.35 | 1.44 |
| Furniture and fixture | 62.39 | 2.04 | 0.38 | (2.06) | 61.99 | 36.20 | 2.15 | (0.87) | 37.48 | 24.51 | 26.19 |
| Computer and Peripherals | 73.73 | 7.98 | 2.67 | (2.12) | 76.92 | 58.24 | 6.45 | (3.77) | 60.92 | 16.00 | 15.49 |
| Communication Equipment | 17.99 | 1.23 | 0.34 | (0.08) | 18.80 | 9.43 | 0.65 | (0.31) | 9.77 | 9.03 | 8.56 |
| Office Equipments | 164.72 | 11.50 | 2.31 | (2.87) | 171.04 | 91.89 | 6.61 | (3.13) | 95.37 | 75.67 | 72.83 |
| **TOTAL** | **38,995.89** | **258.19** | **63.61** | **(1,985.29)** | **37,205.18** | **17,365.55** | **1,231.80** | **(719.41)** | **17,877.94** | **19,327.24** | **21,630.33** |
| Previous Year | 38,980.80 | 389.18 | 39.22 | (1.87) | 38,995.88 | 15,864.56 | 1,558.69 | (21.85) | 17,365.55 | 21,630.33 | |

**Explanatory Note: -**

Underground works amounting to ₹ **10494.51 Crore** (Previous Year ₹ **10491.91 Crore**), created on "Land-Right to Use"classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassification due to IND AS 116 | Addition | Deduction | Adjustment | As at 31.03.2020 | As at 01.04.2019 | Reclassification due to IND AS 116 | For the year | Adjustment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Freehold **(Refer Note 2.1.1 and 2.1.2)** | 337.71 | - | 61.18 | 0.41 | (0.40) | 398.08 | - | - | - | - | - | 398.08 | 337.71 |
| Land – Leasehold **(Refer Note 2.1.8)** | 302.59 | (302.59) | - | - | - | - | 22.08 | (22.08) | - | - | - | - | 280.51 |
| Roads and Bridges | 222.58 | - | 89.80 | - | - | 312.38 | 41.11 | - | 24.62 | - | 65.73 | 246.65 | 181.47 |
| Buildings | 2,352.06 | - | 55.61 | 0.14 | (0.23) | 2,407.30 | 354.44 | - | 86.27 | 0.06 | 440.77 | 1,966.53 | 1,997.62 |
| Building-Under Lease **(Refer Note 2.1.8)** | 17.01 | (17.01) | - | - | - | - | 0.36 | (0.36) | - | - | - | - | 16.65 |
| Railway sidings | 16.57 | - | - | - | - | 16.57 | 13.09 | - | 3.47 | 0.01 | 16.57 | - | 3.48 |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 16,949.35 | - | 25.31 | 1.40 | - | 16,973.26 | 3,466.89 | - | 942.68 | (1.14) | 4,408.43 | 12,564.83 | 13,482.46 |
| Generating Plant and machinery | 8,220.79 | - | 120.29 | 25.71 | (1.72) | 8,313.65 | 1,746.91 | - | 468.30 | (11.42) | 2,203.79 | 6,109.86 | 6,473.88 |
| Plant and machinery - Sub station | 51.30 | - | 4.74 | 0.03 | 0.01 | 56.02 | 11.44 | - | 2.30 | (0.02) | 13.72 | 42.30 | 39.86 |
| Plant and machinery - Transmission lines | 70.71 | - | 0.57 | - | (0.20) | 71.08 | 17.46 | - | 4.84 | (0.02) | 22.28 | 48.80 | 53.25 |
| Plant and machinery - Others | 36.01 | - | 0.39 | 0.01 | (0.18) | 36.21 | 10.10 | - | 1.85 | (0.02) | 11.93 | 24.28 | 25.91 |
| Construction Plant and Machinery | 52.56 | - | 1.80 | 0.17 | 0.27 | 54.46 | 19.90 | - | 4.00 | (0.03) | 23.87 | 30.59 | 32.66 |
| Water Supply System/Drainage and Sewerage | 52.44 | - | 2.93 | - | - | 55.37 | 8.44 | - | 2.07 | - | 10.51 | 44.86 | 44.00 |
| Electrical installations | 4.78 | - | 7.88 | 0.38 | 3.90 | 16.18 | 0.90 | - | 0.56 | 0.16 | 1.62 | 14.56 | 3.88 |
| Vehicles | 22.45 | - | 1.04 | 0.70 | - | 22.79 | 6.90 | - | 1.49 | (0.08) | 8.31 | 14.48 | 15.55 |
| Aircraft/ Boats | 1.92 | - | - | 0.01 | - | 1.91 | 0.31 | - | 0.15 | 0.01 | 0.47 | 1.44 | 1.61 |
| Furniture and fixture | 36.11 | - | 2.03 | 0.12 | - | 38.02 | 9.57 | - | 2.30 | (0.04) | 11.83 | 26.19 | 26.54 |
| Computer and Peripherals | 39.20 | - | 7.28 | 0.82 | 0.02 | 45.68 | 24.24 | - | 6.42 | (0.47) | 30.19 | 15.49 | 14.96 |
| Communication Equipment | 11.82 | - | 0.59 | 0.15 | - | 12.26 | 3.10 | - | 0.68 | (0.08) | 3.70 | 8.56 | 8.72 |
| Office Equipments | 105.37 | - | 7.74 | 0.93 | (3.29) | 108.89 | 29.85 | - | 6.69 | (0.48) | 36.06 | 72.83 | 75.52 |
| **TOTAL** | **28,903.33** | **(319.60)** | **389.18** | **30.98** | **(1.82)** | **28,940.11** | **5,787.09** | **(22.44)** | **1,558.69** | **(13.56)** | **7,309.78** | **21,630.33** | **23,116.24** |
| Previous Year | 23,484.31 | - | 5,451.29 | 15.91 | (16.36) | 28,903.33 | 4,206.58 | - | 1,604.20 | (23.69) | 5,787.09 | 23,116.24 | |

**Note: -**

2.1.1 a) Freehold land amounting to ₹ **6.51 Crore** (Previous year ₹ **6.51 Crore**) covering an area of 1458.55 hectare (Previous year 1458.55 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ **0.0004 Crore** (Previous year ₹ **0.0004 Crore**) covering an area of 0.10 hectare (Previous year 0.10 hectare) is however, yet to be executed/passed.

b) In respect of other units, title deeds/title in respect of freehold land amounting to ₹ **20.47 Crore** (Previous year ₹ **6.73 Crore**) covering an area of 143.38 hectare (Previous year 109.75 hectare) is however, yet to be executed/passed.

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ **100 per annum** as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, depreciation charged and capitalized during construction of a project. (Refer Note-34(8) of Consolidated Financial Statements for FERV adjustment )

2.1.4 Pending approval of revised cost estimates (RCE) of Sewa-II, Kishanganga, Chamera-III, Teesta Low Dam-III, Uri-II & Teesta Low Dam-IV Power Stations, capital expenditure incurred on these power stations has been considered for capitalisation.

2.1.5 Refer Note No 34(11) of Consolidated Financial Statements for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.6 Refer Note no. 34(5) of Consolidated Financial Statements for information regarding assets capitalised on provisional basis.

2.1.7 Refer Note no. 34(19) of Consolidated financial statement for information regarding Impairment of Assets.

2.1.8 Land- Leasehold , Building- Leasehold amounting to ₹ **319.60 Crore** have been reclassified and presented as Right of Use assets on the Balance Sheet due to Ind AS-116. Refer Note 34(18) for further disclosure under Ind AS 116.

2.1.9 A piece of land measuring 3835 sq. ft. at Thangal village was donated by Thangal village authority to NHPC Ltd . The said land along with the temporary shed constructed thereto was transferred to the Loktak Downstream Hydroelectric Corporation Ltd (subsidiary of NHPC Ltd) at the time of incorporation .The land is in the possession of the Group but no value has been assigned.

2.1.10 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENTS

**Additional Disclosure of Property, Plant and Equipment**

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassification due to IND AS 116 | Addition | Deduction | Adjustment | As at 31.03.2020 | As at 01.04.2019 | Reclassification due to IND AS 116 | For the year | Adjustment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Freehold | 337.71 | - | 61.18 | 0.41 | (0.40) | 398.08 | - | - | - | - | - | 398.08 | 337.71 |
| Land – Leasehold | 316.00 | (316.00) | - | - | - | - | 35.49 | (35.49) | - | - | - | - | 280.51 |
| Roads and Bridges | 316.30 | - | 89.80 | - | - | 406.10 | 134.83 | - | 24.62 | - | 159.45 | 246.65 | 181.47 |
| Buildings | 3,079.01 | - | 55.61 | 0.59 | (0.29) | 3,133.74 | 1,081.39 | - | 86.27 | (0.45) | 1,167.21 | 1,966.53 | 1,997.62 |
| Building-Right of Use | 17.01 | (17.01) | - | - | - | - | 0.36 | (0.36) | - | - | - | - | 16.65 |
| Railway sidings | 36.10 | - | - | - | - | 36.10 | 32.62 | - | 3.47 | 0.01 | 36.10 | - | 3.48 |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 22,895.92 | - | 25.31 | 1.41 | 0.01 | 22,919.83 | 9,413.46 | - | 942.68 | (1.14) | 10,355.00 | 12,564.83 | 13,482.46 |
| Generating Plant and machinery | 11,202.45 | - | 120.29 | 27.23 | (1.79) | 11,293.72 | 4,728.57 | - | 468.30 | (13.01) | 5,183.86 | 6,109.86 | 6,473.88 |
| Plant and machinery - Sub station | 102.93 | - | 4.74 | 0.18 | 0.02 | 107.51 | 63.07 | - | 2.30 | (0.16) | 65.21 | 42.30 | 39.86 |
| Plant and machinery - Transmission lines | 97.90 | - | 0.57 | - | (0.20) | 98.27 | 44.65 | - | 4.84 | (0.02) | 49.47 | 48.80 | 53.25 |
| Plant and machinery - Others | 52.32 | - | 0.38 | 0.01 | (0.16) | 52.53 | 26.41 | - | 1.85 | (0.01) | 28.25 | 24.28 | 25.91 |
| Construction Plant and Machinery | 112.70 | - | 1.80 | 1.49 | 0.34 | 113.35 | 80.04 | - | 4.00 | (1.28) | 82.76 | 30.59 | 32.66 |
| Water Supply System/Drainage and Sewerage | 62.24 | - | 2.93 | 0.01 | - | 65.16 | 18.24 | - | 2.07 | (0.01) | 20.30 | 44.86 | 44.00 |
| Electrical installations | 5.99 | - | 7.89 | 0.40 | 3.89 | 17.37 | 2.11 | - | 0.56 | 0.14 | 2.81 | 14.56 | 3.88 |
| Vehicles | 33.51 | - | 1.04 | 1.41 | - | 33.14 | 17.96 | - | 1.49 | (0.79) | 18.66 | 14.48 | 15.55 |
| Aircraft/ Boats | 2.19 | - | - | 0.03 | (0.01) | 2.15 | 0.58 | - | 0.15 | (0.02) | 0.71 | 1.44 | 1.61 |
| Furniture and fixture | 60.73 | - | 2.03 | 0.37 | - | 62.39 | 34.19 | - | 2.30 | (0.29) | 36.20 | 26.19 | 26.54 |
| Computer and Peripherals | 69.76 | - | 7.28 | 3.32 | 0.01 | 73.73 | 54.80 | - | 6.42 | (2.98) | 58.24 | 15.49 | 14.96 |
| Communication Equipment | 17.61 | - | 0.59 | 0.21 | - | 17.99 | 8.89 | - | 0.68 | (0.14) | 9.43 | 8.56 | 8.72 |
| Office Equipments | 162.42 | - | 7.74 | 2.15 | (3.29) | 164.72 | 86.90 | - | 6.69 | (1.70) | 91.89 | 72.83 | 75.52 |
| **TOTAL** | **38,980.80** | **(333.01)** | **389.18** | **39.22** | **(1.87)** | **38,995.88** | **15,864.56** | **(35.85)** | **1,558.69** | **(21.85)** | **17,365.55** | **21,630.33** | **23,116.24** |
| Previous Year | 33,625.87 | - | 5,451.29 | 30.23 | (66.13) | 38,980.80 | 14,348.14 | - | 1,604.20 | (87.78) | 15,864.56 | 23,116.24 | |

**Explanatory Note: -**

2.1.1 Underground works amounting to ₹ **10491.91 Crore** (Previous Year ₹ **10508.57 Crore**), created on" Land -Right to Use"classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

## Note No. 2.2 Capital Work in Progress (CWIP)

(₹ in Crore)

| Particulars | As at 01.04.2020 | Addition | Adjustment | Capitalised | As at 31.03.2021 |
|---|---|---|---|---|---|
| Roads and Bridges | 54.75 | 12.33 | - | 4.41 | 62.67 |
| Buildings | 1,002.82 | 92.45 | (21.21) | 37.21 | 1,036.85 |
| "Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)" | 5,637.89 | 719.63 | (44.82) | 14.47 | 6,298.23 |
| Generating Plant and Machinery | 2,839.91 | 165.00 | (9.69) | 89.28 | 2,905.94 |
| Plant and Machinery - Sub station | - | 2.58 | - | - | 2.58 |
| Plant and Machinery - Transmission lines | 6.15 | 6.61 | - | 5.82 | 6.94 |
| Plant and Machinery - Others | 0.49 | 2.34 | - | 1.16 | 1.67 |
| Water Supply System/Drainage and Sewerage | 2.95 | 3.76 | - | 4.81 | 1.90 |
| Other assets awaiting installation | 18.13 | 36.49 | (6.36) | 36.07 | 12.19 |
| Survey, investigation, consultancy and supervision charges | 183.05 | 22.27 | (0.31) | 1.47 | 203.54 |
| Expenditure on compensatory Afforestation | 15.95 | - | - | - | 15.95 |
| Expenditure Attributable to Construction **(Refer Note-32)** | 8,149.77 | 1,269.34 | (8.69) | 11.88 | 9,398.54 |
| **Sub total** | **17,911.86** | **2,332.80** | **(91.08)** | **206.58** | **19,947.00** |
| Less: Capital Work in Progress provided **(Refer Note 2.2.2)** | 820.78 | 144.63 | (10.83) | - | 954.58 |
| **Sub total (a)** | **17,091.08** | **2,188.17** | **(80.25)** | **206.58** | **18,992.42** |
| Construction Stores | 90.67 | | (14.86) | | 75.81 |
| Less : Provisions for construction stores | 1.34 | | (1.02) | | 0.32 |
| **Sub total (b)** | **89.33** | | **(13.84)** | | **75.49** |
| **TOTAL** | **17,180.41** | **2,188.17** | **(94.09)** | **206.58** | **19,067.91** |
| Previous Year | 15,036.80 | 2,454.43 | (14.12) | 296.70 | 17,180.41 |

**Explanatory Note: -**

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 918.98 Crore (Previous year ₹ 661.87 Crore) towards borrowing cost capitalised during the period. **(Also Refer Note-32)**

2.2.2 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1192.72 Crore (Previous Year ₹ 1141.05 Crore) including Survey, Investigation, Consultancy and Supervision Charges of ₹ 138.52 Crore (Previous Year ₹ 119.54 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore(Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred thereon, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ 1149.20 Crore (Previous Year ₹ 1097.53 Crore) pertaining to projects with the company, a sum of ₹ 911.06 Crore (Previous Year ₹ 777.26 Crore) has been provided for where uncertainties are attached and ₹ 238.14 Crore (Previous Year ₹ 320.27 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(25), 34(26), 34(27) and 34(28))**.

2.2.3 Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects if any, is recoverable from respective Private Developers.

2.2.4 Underground Works amounting to ₹ 2317.10 Crore (Previous Year ₹ 2234.15 Crore) created on Land - Right of use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(11) of Consolidated Financial Statements for information of non-current assets pledged with banks as security for related borrowings.

2.2.6 Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

2.2.7 Refer Note no. 34(5) of Consolidated Financial Statements for information regarding assets capitalised on provisional basis.

2.2.8 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.2.9 Post Renovation and Modernization, the Company has commissioned and capitalised Unit#1 of Bairasiul Power Station during the year.

## Note No. 2.2 Capital Work in Progress (CWIP)

(₹ in Crore)

| Particulars | As at 01.04.2019 | Addition | Adjustment | Capitalised | As at 31.03.2020 |
|---|---|---|---|---|---|
| Roads and Bridges | 92.99 | 50.55 | 0.01 | 88.80 | 54.75 |
| Buildings | 911.04 | 151.18 | 2.11 | 61.51 | 1,002.82 |
| Building-Under Lease | - | - | - | - | - |
| "Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)" | 4,520.39 | 1,129.18 | 6.12 | 17.80 | 5,637.89 |
| Generating Plant and Machinery | 2,584.49 | 323.49 | 0.48 | 68.55 | 2,839.91 |
| Plant and Machinery - Sub station | 2.98 | 1.31 | - | 4.29 | - |
| Plant and Machinery - Transmission lines | 1.28 | 5.78 | (0.01) | 0.90 | 6.15 |
| Plant and Machinery - Others | 0.01 | 0.49 | (0.01) | - | 0.49 |
| Construction Equipment | - | 0.02 | - | 0.02 | - |
| Water Supply System/Drainage and Sewerage | 1.93 | 2.80 | - | 1.78 | 2.95 |
| Other assets awaiting installation | 12.44 | 46.08 | (0.46) | 39.93 | 18.13 |
| Survey, investigation, consultancy and supervision charges | 175.22 | 10.65 | (2.82) | - | 183.05 |
| Expenditure on compensatory Afforestation | 15.94 | 0.01 | - | - | 15.95 |
| Expenditure Attributable to Construction **(Refer Note-32)** | 7,281.55 | 887.62 | (6.28) | 13.12 | 8,149.77 |
| **Sub total** | **15,600.26** | **2,609.16** | **(0.86)** | **296.70** | **17,911.86** |
| Less: Capital Work in Progress provided **(Refer Note 2.2.2)** | 668.87 | 154.73 | (2.82) | - | 820.78 |
| **Sub total (a)** | **14,931.39** | **2,454.43** | **1.96** | **296.70** | **17,091.08** |
| Construction Stores | 107.82 | | (17.15) | | 90.67 |
| Less : Provisions for construction stores | 2.41 | | (1.07) | | 1.34 |
| **Sub total (b)** | **105.41** | | **(16.08)** | | **89.33** |
| **TOTAL** | **15,036.80** | **2,454.43** | **(14.12)** | **296.70** | **17,180.41** |
| Previous Year | 19,086.74 | 1,545.67 | (84.71) | 5,510.90 | 15,036.80 |

**Explanatory Note: -**

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 661.87 Crore (Previous year ₹ 368.11 Crore) towards borrowing cost capitalised during the period. **(Also Refer Note-32)**

2.2.2 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1141.05 Crore (Previous Year ₹ 1422.80 Crore) including Survey, Investigation, Consultancy and Supervision Charges of ₹ 119.54 Crore (Previous Year ₹ 151.75 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ 1097.53 Crore (Previous Year ₹ 1379.28 Crore) pertaining to projects with the company, a sum of ₹ 777.27 Crore (Previous Year ₹ 625.35 Crore) has been provided upto date where uncertainties are attached and ₹ 320.26 Crore (Previous Year ₹ 753.93 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(25), 34(26), 34(27) and 34(28))**

2.2.3 Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects if any, is recoverable from respective Private Developers.

2.2.4 Underground Works amounting to ₹ 2234.15 Crore (Previous Year ₹ 2172.97 Crore) created on Land - Right of use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(11) of Consolidated Financial Statements for information of non-current assets pledged with banks as security for related borrowings.

2.2.6 Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

2.2.7 Refer Note no. 34(5) of Consolidated Financial Statements for information regarding assets capitalised on provisional basis.

2.2.8 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.2.9 Capital work in progress includes ₹ 7263.48 Crore (Previous year ₹ 6317.39 Crore) in respect of Subansiri Lower HE Project where active construction have been resumed from October-19 after interruption in the construction activities from December 2011 till September 2019.

## NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Leasehold **(Refer Note 2.3.1)** | 317.39 | - | - | (3.50) | 313.89 | 33.79 | 11.84 | (0.61) | 45.02 | 268.87 | 283.60 |
| Building under Lease | 22.34 | 2.45 | 18.41 | - | 6.38 | 2.76 | 1.97 | (1.69) | 3.04 | 3.34 | 19.58 |
| Vehicles | 3.44 | 1.57 | 0.61 | - | 4.40 | 1.94 | 1.82 | (0.61) | 3.15 | 1.25 | 1.50 |
| Land-Right of Use | 2,779.10 | 11.36 | 0.17 | (38.91) | 2,751.38 | 317.47 | 66.69 | (6.33) | 377.83 | 2,373.55 | 2,461.63 |
| **TOTAL** | **3,122.27** | **15.38** | **19.19** | **(42.41)** | **3,076.05** | **355.96** | **82.32** | **(9.24)** | **429.04** | **2,647.01** | **2,766.31** |
| Previous Year | 16.22 | 683.35 | 0.37 | - | 3,122.27 | - | 85.04 | (0.10) | 355.96 | 2,766.31 | - |

**Note: -**

2.3.1 a) Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area 1.06 hectare (previous year 1.06 hectare) has been handed over Indo-Tibetan Border Police (ITBP).

b) In respect of other units, lease deeds in respect of leasehold land gross amount to ₹ 165.35 Crore (Previous year ₹ 251.40 Crore) covering an area of 397.21 hectare (Previous year 530.88 hectare) are yet to be executed/passed.

2.3.2 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.3.3 Adjustments to Gross Block and depreciation include adjustment for amount derecognised from Right of Use Assets and recognised as Lease Receivables under Financial Assets in respect of TLD-III Power Station which is accounted as Finance Lease under Ind AS 116- Leases. (Refer Note 34 (18) (B) (ii))

2.3.4 Additional disclosure of Right of use Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-1 TO NOTE NO. 2.3 RIGHT OF USE ASSETS

**Additional Disclosure of Right of Use Assets**

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Leasehold | 330.80 | 0.98 | - | (3.76) | 328.02 | 47.20 | 11.84 | (0.87) | 58.17 | 269.85 | 283.60 |
| Building under Lease | 22.34 | 1.47 | 18.41 | - | 5.40 | 2.76 | 1.97 | (1.69) | 3.04 | 2.36 | 19.58 |
| Vehicles | 3.44 | 1.57 | 0.61 | - | 4.40 | 1.94 | 1.82 | (0.61) | 3.15 | 1.25 | 1.50 |
| Land-Right of Use | 3,131.62 | 11.36 | 0.17 | (40.77) | 3,102.04 | 669.99 | 66.69 | (8.19) | 728.49 | 2,373.55 | 2,461.63 |
| **TOTAL** | **3,488.20** | **15.38** | **19.19** | **(44.53)** | **3,439.86** | **721.89** | **82.32** | **(11.36)** | **792.85** | **2,647.01** | **2,766.31** |
| Previous Year | 16.22 | 683.35 | 0.37 | - | 3,488.20 | - | 85.04 | (0.10) | 721.89 | 2,766.31 | - |

## NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassification due to Ind AS 116 | Addi-tions | Deduc-tions | Adjust-ments | As at 31.03.2020 | As at 01.04.2019 | Reclassification due to Ind AS 116 | For the Year | Adjust-ments | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Leasehold **(Refer Note 2.3.1)** | 9.50 | 302.59 | 5.30 | - | - | 317.39 | - | 22.08 | 11.71 | - | 33.79 | 283.60 | |
| Building under Lease **(Refer note 2.3.2)** | 4.53 | 17.01 | 1.12 | 0.32 | - | 22.34 | - | 0.36 | 2.47 | (0.07) | 2.76 | 19.58 | |
| Construction Equipment | - | - | - | - | - | - | - | - | - | - | - | - | |
| Vehicles | 2.19 | - | 1.30 | 0.05 | - | 3.44 | - | - | 1.97 | (0.03) | 1.94 | 1.50 | |
| Land-Right of Use | - | 2,103.47 | 675.63 | - | - | 2,779.10 | - | 248.58 | 68.89 | - | 317.47 | 2,461.63 | |
| **TOTAL** | **16.22** | **2,423.07** | **683.35** | **0.37** | **-** | **3,122.27** | **-** | **271.02** | **85.04** | **(0.10)** | **355.96** | **2,766.31** | **-** |
| Previous Year | - | | - | - | - | - | - | | - | - | - | - | - |

**Note: -**

2.3.1 a) Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area 1.06 hectare (previous year 1.06 hectare) has been handed over Indo-Tibetan Border Police(ITBP).

b) In respect of other units, lease deeds in respect of leasehold land gross amount to ₹ 251.40 Crore (Previous year ₹ 247.90 Crore) covering an area of 530.88 hectare (Previous year 519.68 hectare) are yet to be executed/passed.

c) Land -Leasehold includes amounting to ₹ 9.81 Crore (Previous Year Rs.NIL) recognised during the year as Right of Use Asset pursuant to Ind AS 116-Leases which were earlier classified as operating leases. Refer Note 34(18) for further disclosure under Ind AS 116.

2.3.2 "Building under Lease" includes building space of 5001 sq. feet in Kidwai Nagar, New Delhi amounting to ₹ 17.01 Crore (Previous year ₹ 17.01 Crore) acquired during Financial Year 2018-19. Lease deed in respect of the same is pending execution.

2.3.3 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.3.4 Land- Leasehold , Building- Leasehold and Land Right of Use amounting to ₹ 2423.07 Crore have been reclassified during the year from Property, Plant and Equipment and Intangible Assets due to Ind AS-116.

2.3.5 Additional disclosure of Right of use Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-1 TO NOTE NO. 2.3 RIGHT OF USE ASSETS

**Additional Disclosure of Right of Use Assets**

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassification due to Ind AS 116 | Addi-tions | Deduc-tions | Adjust-ments | As at 31.03.2020 | As at 01.04.2019 | Reclassification due to Ind AS 116 | For the Year | Adjust-ments | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Leasehold | 9.50 | 316.00 | 5.30 | - | - | 330.80 | - | 35.49 | 11.71 | - | 47.20 | 283.60 | |
| Building under Lease | 4.53 | 17.01 | 1.12 | 0.32 | - | 22.34 | - | 0.36 | 2.47 | (0.07) | 2.76 | 19.58 | |
| Construction Equipment | - | - | - | - | - | - | - | - | - | - | - | - | |
| Vehicles | 2.19 | - | 1.30 | 0.05 | - | 3.44 | - | - | 1.97 | (0.03) | 1.94 | 1.50 | |
| Land-Right of Use | - | 2,455.99 | 675.63 | - | - | 3,131.62 | - | 601.10 | 68.89 | - | 669.99 | 2,461.63 | |
| **TOTAL** | **16.22** | **2,789.00** | **683.35** | **0.37** | **-** | **3,488.20** | **-** | **636.95** | **85.04** | **(0.10)** | **721.89** | **2,766.31** | **-** |
| Previous Year | - | | - | - | - | - | - | | - | - | - | - | - |

## NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | 4.49 |
| **TOTAL** | **4.49** | **-** | **-** | **-** | **4.49** | **-** | **-** | **-** | **-** | **4.49** | **4.49** |
| Previous Year | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | |

### 2.4.1 Amounts recognised in the Statement of Profit and Loss for investment property

(₹ in Crore)

| | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Rental income | Nil | Nil |
| Direct operating expenses from property that generated rental income | Nil | Nil |
| Direct operating expenses from property that did not generate rental income | Nil | Nil |

(₹ in Crore)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **2.4.2 Fair Value of investment property** | 72.87 | 53.58 |

**2.4.3** Investment property comprise of freehold land which was bought for normal business requirements of the group. However, due to change in business plans, the group is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

**2.4.4 Valuation process**

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level -II of fair valuation hierarchy.

## NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Addition | Deduction | Adjust-ment | As at 31.03.2020 | As at 01.04.2019 | For the year | Adjust-ment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Freehold | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | 4.49 |
| **TOTAL** | **4.49** | **-** | **-** | **-** | **4.49** | **-** | **-** | **-** | **-** | **4.49** | **4.49** |
| Previous Year | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | |

### 2.4.1 Amounts recognised in the Statement of Profit and Loss for investment property

(₹ in Crore)

| | For the year ended 31.03.2020 | For the year ended 31.03.2019 |
|---|---|---|
| Rental income | Nil | Nil |
| Direct operating expenses from property that generated rental income | Nil | Nil |
| Direct operating expenses from property that did not generate rental income | Nil | Nil |

(₹ in Crore)

| | As at 31.03.2020 | As at 31.03.2019 |
|---|---|---|
| **2.4.2 Fair Value of investment property** | 53.58 | 53.58 |

**2.4.3** Investment property comprise of freehold land which was bought for normal business requirements of the group. However, due to change in business plans, the group is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

### 2.4.4 Valuation process

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level -3 of fair valuation hierarchy.

## NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Computer Software | 10.98 | 5.03 | 0.17 | (0.23) | 15.61 | 10.26 | 2.22 | (0.39) | 12.09 | 3.52 | 0.72 |
| **Total** | **10.98** | **5.03** | **0.17** | **(0.23)** | **15.61** | **10.26** | **2.22** | **(0.39)** | **12.09** | **3.52** | **0.72** |
| Previous Year | 2,113.82 | 0.66 | 0.03 | - | 10.98 | 257.92 | 0.96 | 0.04 | 10.26 | 0.72 | |

2.5.1 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Computer Software | 48.62 | 5.03 | 0.47 | (0.28) | 52.90 | 47.90 | 2.22 | (0.74) | 49.38 | 3.52 | 0.72 |
| **Total** | **48.62** | **5.03** | **0.47** | **(0.28)** | **52.90** | **47.90** | **2.22** | **(0.74)** | **49.38** | **3.52** | **0.72** |
| Previous Year | 2,504.12 | 0.66 | 0.17 | (6.40) | 48.62 | 648.22 | 0.96 | (0.18) | 47.90 | 0.72 | |

## NOTE NO. 2.6 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Computer Software | - | 0.17 | - | - | 0.17 | - | - | - | - | 0.17 | - |
| **Total** | **-** | **0.17** | **-** | **-** | **0.17** | **-** | **-** | **-** | **-** | **0.17** | **-** |
| Previous Year | - | - | - | - | - | - | - | - | - | - | - |

## NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | | AMORTISATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassi-fication due to IND AS 116 | Addition | Deduction | Adjust-ment | As at 31.03.2020 | As at 01.04.2019 | Reclassi-fication due to IND AS 116 | For the year | Adjust-ment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Right to Use **(Refer Note 2.5.1)** | 2,103.47 | (2,103.47) | - | - | - | - | 248.58 | (248.58) | - | - | - | - | 1,854.89 |
| Computer Software | 10.35 | - | 0.66 | 0.03 | - | 10.98 | 9.34 | - | 0.96 | (0.04) | 10.26 | 0.72 | 1.01 |
| **Total** | **2,113.82** | **(2,103.47)** | **0.66** | **0.03** | **-** | **10.98** | **257.92** | **(248.58)** | **0.96** | **(0.04)** | **10.26** | **0.72** | **1,855.90** |
| Previous Year | 2,108.88 | - | 10.38 | - | (5.44) | 2,113.82 | 190.19 | | 66.84 | 0.89 | 257.92 | 1,855.90 | |

**Note :**

2.5.1 Land- Right of Use amounting to ₹ 2103.47 Crore have been reclassified and presented as Right of Use assets in the Balance Sheet due to Ind AS-116. Refer Note 34(18) for further disclosure under Ind AS 116.

2.5.2 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

## ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | | | AMORTISATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2019 | Reclassi-fication due to IND AS 116 | Addition | Deduction | Adjust-ment | As at 31.03.2020 | As at 01.04.2019 | Reclassi-fication due to IND AS 116 | For the year | Adjust-ment | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| Land – Right to Use | 2,455.99 | (2,455.99) | - | - | - | - | 601.10 | (601.10) | - | - | - | - | 1,854.89 |
| Computer Software | 48.13 | - | 0.66 | 0.17 | - | 48.62 | 47.12 | - | 0.96 | (0.18) | 47.90 | 0.72 | 1.01 |
| **Total** | **2,504.12** | **(2,455.99)** | **0.66** | **0.17** | **-** | **48.62** | **648.22** | **(601.10)** | **0.96** | **(0.18)** | **47.90** | **0.72** | **1,855.90** |
| Previous Year | 2,500.47 | - | 10.38 | 0.33 | (6.40) | 2,504.12 | 581.78 | | 66.84 | (0.40) | 648.22 | 1,855.90 | |

## NOTE NO. 2.6.1 : INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

**INTERESTS IN JOINT VENTURES**

The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crore)

| Name of entity & Relationship | Place of business | Accounting Method | % of Ownership interest | | Carrying amount | |
|---|---|---|---|---|---|---|
| | | | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| "National High Power Test Laboratory Private Limited (NHPTL) Joint Venture" | India | Equity Method | 20.00% | 20.00% | 18.22 | 22.06 |
| "Chenab Valley Power Projects (P) Limited. (CVPPL) Joint Venture" | India | Equity Method | 51.93% | 49.89% | 1308.67 | 911.47 |
| **Total Equity accounted investments** | | | | | **1,326.89** | **933.53** |

## NOTE NO. 2.6.2 : SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in Crore)

| Name of entity | 31-Mar-21 | 31-Mar-20 |
|---|---|---|
| "National High Power Test Laboratory Private Limited (NHPTL) Joint Venture" | (3.85) | (4.01) |
| "Chenab Valley Power Projects (P) Limited. (CVPPL) Joint Venture" | (1.64) | 7.05 |
| **TOTAL** | **(5.49)** | **3.04** |

## NOTE NO. 2.6.3 : SHARE OF OTHER COMPREHENSIVE INCOME OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in Crore)

| Name of entity | 31-Mar-21 | 31-Mar-20 |
|---|---|---|
| "National High Power Test Laboratory Private Limited (NHPTL) Joint Venture" | - | - |
| "Chenab Valley Power Projects (P) Limited. (CVPPL) Joint Venture" | - | - |
| **TOTAL** | **-** | **-** |

**Explanatory Note:**

**SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES**

The tables below provide summarised financial information for joint ventures of the group. The information disclosed reflects the amounts presented in the financial statements of the joint ventures. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

### 1. Summarised Balance Sheet

(₹ in Crore)

| | NHPTL | | CVPPL | |
|---|---|---|---|---|
| | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| Current Assets | | | | |
| Cash & Cash Equivalents | 4.09 | 2.53 | 197.55 | 102.40 |
| Other Assets | 5.54 | 10.46 | 389.56 | 113.70 |

| | NHPTL | | CVPPL | |
|---|---|---|---|---|
| | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| Total Current Assets | 9.63 | 12.99 | 587.11 | 216.10 |
| Total non-current assets | 332.96 | 337.28 | 2,469.46 | 1,921.07 |
| **Total Assets (A)** | **342.59** | **350.27** | **3,056.57** | **2,137.17** |
| Current Liabilities | | | | |
| Financial Liabilities (excluding Trade payables) | 62.23 | 60.43 | 48.92 | 25.42 |
| Other Liabilities | 2.47 | 2.52 | 225.53 | 269.47 |
| Total current liabilities | 64.70 | 62.95 | 274.45 | 294.89 |
| Non-current liabilities | | | | |
| Financial Liabilities (excluding trade payables) | 186.29 | 176.77 | 2.66 | 4.07 |
| Other liabilities | 0.52 | 0.24 | 6.47 | 5.62 |
| Total non-current liabilities | 186.81 | 177.01 | 9.13 | 9.69 |
| **Total Liabilities (B)** | **251.51** | **239.96** | **283.58** | **304.58** |
| **Net Assets (A-B)** | **91.08** | **110.31** | **2,772.99** | **1,832.59** |
| Less:-Share application money received pending allotment | - | - | 243.88 | - |
| **Net Asset after adjusting share application money pending allotment** | **91.08** | **110.31** | **2,529.11** | **1,832.59** |

## 2. Reconciliation to Carrying Amounts

(₹ in Crore)

| | NHPTL | | CVPPL | |
|---|---|---|---|---|
| | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| Opening Net Assets | 110.32 | 130.39 | 1,832.60 | 1,477.48 |
| Profit for the year | (19.23) | (21.38) | (3.19) | 14.22 |
| Other comprehensive income | (0.01) | (0.04) | - | - |
| Equity Contribution | - | - | 699.70 | 340.90 |
| Adjustment in other equity (Opening) | - | 1.35 | | |
| **Closing net assets** | **91.08** | **110.32** | **2,529.11** | **1,832.60** |
| Group's share (in %) | 20.00% | 20.00% | 51.93% | 49.89% |
| Group's share | 18.22 | 22.06 | 1313.47 | 914.29 |
| Goodwill/(Capital Reserve) | - | - | (0.99) | 0.00 |
| **Carrying Amount** | **18.22** | **22.06** | **1312.48** | **914.29** |
| **Less:-Profit on intra group transaction** | **0.00** | **0.00** | **3.81** | **2.82** |
| **Net Carrying amount** | **18.22** | **22.06** | **1308.67** | **911.47** |

## 3. Summarised statement of Profit & Loss

(₹ in Crore)

| | NHPTL | | CVPPL | |
|---|---|---|---|---|
| | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| Revenue | 15.38 | 11.36 | - | - |
| Interest Income | 0.15 | 0.19 | 17.63 | 20.86 |
| Depreciation & Amortisation | 8.33 | 7.65 | 1.00 | - |
| Interest Expense | 18.91 | 16.67 | 0.03 | - |
| Other Expenditure | 7.54 | 8.62 | 15.35 | 1.38 |
| Income Tax Expense | - | - | 4.43 | 5.27 |
| **Profit from continuing operations** | **(19.25)** | **(21.39)** | **(3.18)** | **14.21** |
| **Profit for the year** | **(19.25)** | **(21.39)** | **(3.18)** | **14.21** |
| Other Comprehensive income | (0.01) | (0.05) | - | - |
| Total Comprehensive Income | (19.26) | (21.44) | (3.18) | 14.21 |

## NOTE NO. 3.1 NON CURRENT INVESTMENTS

(₹ in Crore)

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) |
| **A. Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)** | | | | |
| Bodies Corporate - (Fully Paid Up) | | | | |
| Indian Overseas Bank (Fully Paid Up) (Face Value of ₹ 10/- each) | - | - | 360800 | 0.25 |
| PTC India Limited. (Fully Paid Up) (Face Value of ₹ 10/- each) | 12000000 | 93.30 | 12000000 | 46.32 |
| **Total (A)** | | **93.30** | | **46.57** |
| **B. Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)** | | | | |
| **(a) Government Securities (Refer Note 3.1.2 and 3.1.4)** | | | | |
| 8.35% SBI Right Issue GOI Special Bonds 27 March 2024 (Per Unit Value of ₹ 10000/- each) | 150000 | 162.28 | 150000 | 162.76 |
| 8.20% Oil Marketing Companies GOI Special Bonds 15 September 2024 (Per Unit Value of ₹ 10000/- each) | 12380 | 13.37 | 12380 | 13.36 |
| 8.28% GOI 21 September 2027 (Per Unit Value of ₹ 10000/- each) | 57000 | 63.04 | 57000 | 62.52 |
| 8.26% GOI 02 August 2027 (Per Unit Value of ₹ 10000/- each) | 17940 | 19.78 | 17940 | 19.67 |
| 8.28% GOI 15 February 2032 (Per Unit Value of ₹ 10000/- each) | 35000 | 39.26 | 35000 | 39.38 |
| 8.32% GOI 02 August 2032 (Per Unit Value of ₹ 10000/- each) | 34000 | 38.24 | 34000 | 38.24 |
| **Sub-total (a)** | | **335.97** | | **335.93** |
| **(b) Bonds of Public Sector Undertaking/Public Financial Institution & Body Corporates** | | | | |
| 7.41% IIFCL Tax Free Bonds 15 November 2032 (Per Unit Value of ₹ 10,00,000/- each) | 120 | 13.79 | 120 | 13.79 |
| 8.12% REC Tax Free Bonds 27 March 2027 (Per Unit Value of ₹ 1000/- each) | 100000 | 12.50 | 100000 | 11.94 |
| 8.48% NHAI TAX FREE 22 November 2028 (Per Unit Value of ₹ 10,00,000/- each) | 473 | 59.79 | 473 | 55.90 |
| **Sub-total (b)** | | **86.08** | | **81.63** |
| **Total (B) (a+b)** | | **422.05** | | **417.56** |
| **Total (A+B)** | | **515.35** | | **464.13** |
| 3.1.1 Aggregate amount and market value of quoted investments | | 515.35 | | 464.13 |

3.1.2 Investment in Government Securities at cost of ₹ 165.50 Crore (Previous Year ₹ 165.50 Crore) is earmarked as security against ₹ 165.42 Crore (Previous Year ₹ 165.42 Crore) being 15 percent of total redemption value of Bonds maturing during the Financial Year 2021-22

3.1.3 Particulars of Investments as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.1 above.

3.1.4 Quoted Investments in respect of debt instruments for which quotations are not available, market value has been considered based on the value published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

## NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - LOANS

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | **At Amortised Cost** | | |
| **A** | **Deposits** | | |
| | - Considered good- Unsecured | 25.14 | 24.55 |
| | **Sub-total** | **25.14** | **24.55** |
| **B** | **Loan to Related Party - Considered good- Unsecured -** National High Power Test Laboratory (P) Limited (Refer Note 34(10) and 3.2.4) | 18.40 | - |
| | **Sub-total** | **18.40** | **-** |
| **C** | **Loans to Employees (Refer Note 3.2.1)** | | |
| | - Considered good- Secured | 130.43 | 117.05 |
| | - Considered good- Unsecured | 58.71 | 3.41 |
| | **Sub-total** | **189.14** | **120.46** |
| **D** | **Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.2.2 and 3.2.4)** | | |
| | - Considered good- Unsecured | 736.62 | 675.80 |
| | **Sub-total** | **736.62** | **675.80** |
| | **TOTAL** | **969.30** | **820.81** |

| | | | |
|---|---|---|---|
| 3.2.1 | Due from directors or other officers of the company (refer Note 34(10)) | 0.16 | - |
| 3.2.2 | Loan to Government of Arunachal Pradesh includes : | | |
| | - Principal | 225.00 | 225.00 |
| | - Interest | 511.62 | 450.80 |

3.2.3 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by the changes in the credit risk of the counterparties.

3.2.4 Represents Loans granted for business purpose.

3.2.5 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

## NOTE NO. 3.3 NON-CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | Bank Deposits with more than 12 Months Maturity | 554.32 | 394.75 |
| B | Lease Rent receivable **(Refer Note 34(18(B))** | 6,248.71 | 5,111.73 |
| C | Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.3.1 and 11(H))** | 2,017.20 | 2,017.20 |
| D | Interest accrued on: | | |
| | - Bank Deposits with more than 12 Months Maturity | 19.59 | 9.88 |
| E | Derivative Mark to Market Asset | 18.21 | 33.71 |
| F | "Share Application Money Pending Allotment:- Chenab Valley Power Projects Private Limited (Joint Venture Company) **(Refer Note 3.3.3)"** | 100.15 | - |
| | **TOTAL** | **8,958.18** | **7,567.27** |

3.3.1 Refer Note 16.2.1 in respect of amount payable towards Bonds fully serviced by Government of India.

3.3.2 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.

3.3.3 "Share Application Money Pending Allotment includes Company Contribution towards subscription of Share Capital in following Joint Venture Company:

- Chenab Valley Power Projects Private Limited (Joint Venture Company) - ₹ 100.15 Crore (Date of Share allotment 5th April 2021).

## NOTE NO. 4 NON CURRENT TAX ASSETS (NET)

(₹ in Crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Advance Income Tax including Tax Deducted at Source | 399.12 | 1,044.58 |
| Less: Provision for Current Tax | 389.05 | 929.66 |
| Non Current Tax **(Refer Note No-23)** | - | 38.37 |
| **TOTAL** | **10.07** | **153.29** |

## NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A.** | **CAPITAL ADVANCES** | | |
| | - Considered good- Secured | 57.92 | 45.06 |
| | - Considered good- Unsecured | | |
| | – Against bank guarantee | 165.45 | 164.73 |
| | – Others | 182.04 | 199.53 |
| | Less : Expenditure booked pending utilisation certificate | 19.18 | 30.28 |
| | - Considered doubtful- Unsecured | 201.76 | 145.58 |
| | **Less : Allowances for doubtful advances (Refer Note 5.1)** | 201.76 | 145.58 |
| | **Sub-total** | **386.23** | **379.04** |
| **B.** | **ADVANCES OTHER THAN CAPITAL ADVANCES** | | |
| **i)** | **DEPOSITS** | | |
| | - Considered good- Unsecured | 49.56 | 12.33 |
| | - Considered doubtful - Unsecured | - | 0.04 |
| | **Less : Allowances for Doubtful Deposits (Refer Note 5.2)** | - | 0.04 |
| | **Sub-total** | **49.56** | **12.33** |
| **ii)** | **Other advances** | | |
| | - Considered good- Unsecured | 0.41 | 0.67 |
| | **Sub-total** | **0.41** | **0.67** |
| **C.** | **Interest accrued** | | |
| | Others | | |
| | - Considered Good | 2.59 | 47.97 |
| **D.** | **Others** | | |
| **i)** | **Advance against arbitration awards towards capital works (Unsecured)** | | |
| | Released to Contractors - Against Bank Guarantee | 1,140.45 | 697.09 |
| | Released to Contractors - Others | 34.61 | 34.61 |
| | Deposited with Court | 1,383.31 | 1,222.90 |
| | **Sub-total** | **2,558.37** | **1,954.60** |
| **ii)** | **Deferred Foreign Currency Fluctuation Assets/ Expenditure** | | |
| | Deferred Foreign Currency Fluctuation Assets | 356.93 | 468.37 |
| | Deferred Expenditure on Foreign Currency Fluctuation | 173.83 | 131.53 |
| | **Sub-total** | **530.76** | **599.90** |
| **iii)** | **Deferred Cost on Employees Advances** | **65.36** | **54.69** |
| | **TOTAL** | **3,593.28** | **3,049.20** |

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **5.1 Allowances for doubtful Advances** | | |
| Opening Balance | 145.58 | 4.50 |
| Addition during the year | 60.32 | 135.38 |
| Adjustment | - | 5.82 |
| Used during the year | 4.14 | - |
| Reversed during the year | - | 0.13 |
| **Closing balance** | **201.76** | **145.58** |
| **5.2 Allowances for doubtful Deposits** | | |
| Opening Balance | 0.04 | 0.04 |
| Addition during the year | - | - |
| Used during the year | - | - |
| Reversed during the year | 0.04 | - |
| **Closing balance** | **-** | **0.04** |

5.3 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

| | | |
|---|---|---|
| 5.4 Advances due from Directors or other Officers at the end of the year | NIL | NIL |
| 5.5 Advances due by Firms or Private Companies in which any Director of the Company is a Director or a Member | NIL | NIL |

## NOTE NO. 6 INVENTORIES

(₹ in Crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **(Valued at lower of Cost or Net Realisable Value)** | | |
| Stores and spares | 131.74 | 124.67 |
| Stores in transit/ pending inspection | 0.69 | 1.00 |
| Loose tools | 2.03 | 2.51 |
| Scrap inventory | 2.10 | 1.42 |
| Material at site | 5.79 | 4.93 |
| Less: Allowances for Obsolescence and Diminution in Value **(Refer Note 6.1)** | 8.66 | 7.91 |
| **TOTAL** | **133.69** | **126.62** |
| **6.1 Allowances for Obsolescence and Diminution in Value** | | |
| Opening Balance | 7.91 | 8.23 |
| Addition during the year **(Refer Note 6.1.1)** | 0.84 | 0.26 |
| Used during the year | 0.01 | 0.19 |
| Reversed during the year **(Refer Note 6.1.2)** | 0.08 | 0.39 |
| **Closing balance** | **8.66** | **7.91** |
| 6.1.1 During the year, inventories written down to net realisable value (NRV) and recognised as an expense in the Statement of Profit and Loss. | 0.84 | 0.26 |
| 6.1.2 Allowances for Obsolence and Diminution in value of inventory booked in earlier years and reversed during the year. | 0.08 | 0.39 |

## NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in Crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| - Trade Receivables- Considered Good- Unsecured **(Refer Note 7.2, 7.3,7.5 and 7.6)** | 3,409.88 | 3,583.22 |
| - Trade Receivables- Credit Impaired **(Refer Note 7.2 and 7.3)** | 33.76 | 37.71 |
| **Less: Impairment allowances for Trade Recevables (Refer Note 7.1)** | 33.76 | 37.71 |
| **TOTAL** | **3,409.88** | **3,583.22** |

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **7.1** | **Impairment allowances for Trade Receivables** | | |
| | Opening Balance | 37.71 | 37.71 |
| | Reversed during the year | 3.95 | - |
| | **Closing balance** | **33.76** | **37.71** |
| **7.2** | Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member. | Nil | Nil |
| **7.3** | Debt due by Joint Ventures and others related parties of the company at point 7.2 above. | Nil | Nil |

**7.4** Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

**7.5** Trade Receivables amounting to ₹ 726.03 Crore (Previous year ₹ 714.31 Crore) liquidated by way of discounting of bills from various banks have not been derecognised in view of terms of the bill discounting agreement as per which the Company guarantees to compensate the banks for credit losses that may occur in case of default by the respective beneficiaries. Refer Note 20.1.1 with regard to liability recognised in respect of discounted bills.

**7.6** Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

## NOTE NO. 8 FINANCIAL ASSETS - CURRENT - CASH AND CASH EQUIVALENTS

(₹ in Crore)

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | **Balances with banks** | | |
| | With scheduled banks | | |
| | - In Current Account | 231.31 | 41.11 |
| | - In deposits account | | |
| | (Deposits with original maturity of less than three months) | 215.95 | 1.05 |
| B | **Cash on hand (Refer Note 8.1)** | 0.01 | 0.01 |
| | **TOTAL** | **447.27** | **42.17** |
| 8.1 | Includes stamps on hand | 0.01 | 0.01 |

## NOTE NO. 9 FINANCIAL ASSETS - CURRENT - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | Bank Deposits for original maturity more than 3 months upto 12 months **(Refer Note 9.1)** | 1,696.97 | 1,539.67 |
| B | Deposit -Unpaid Dividend | 23.47 | 22.64 |
| C | Deposit -Unpaid Interest | 87.14 | 86.90 |
| D | Other Earmarked Balances with Banks **(Refer Note 9.2)** | 1.97 | 1.89 |
| | **TOTAL** | **1,809.55** | **1,651.10** |

| Particulars | | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|---|
| **9.1** | **Includes Balances:** | | | |
| | **i)** | held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company | 155.81 | 268.78 |
| | **ii)** | representing deposit by Oustees towards Land for Land in respect of Omkareshwar Project, which is not freely available for the business of the Company. | 0.09 | 0.35 |
| | **iii)** | under lien with banks as per orders of Hon'ble Court of Law, which is not freely available for the business of the Company | 7.18 | 6.88 |
| | **iv)** | Bank balance other than cash, cash equivalent includes unspent amount of CSR Fund, which is transferred to separate account & not freely available for the Business of the company included in stated amount | - | 3.61 |
| **9.2** | Includes balances which are not freely available for the business of the Company : | | | |
| | **(i)** | held for works being executed by Company on behalf of other agencies. | 1.41 | 1.36 |
| | **(ii)** | NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim. | 0.56 | 0.53 |

## NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A** | **Deposits** | | |
| | - Unsecured (considered good) | 0.36 | 0.48 |
| | **Sub-total** | **0.36** | **0.48** |
| **B** | **"Loan (including interest thereon) to Related Party -Considered good-Unsecured (Refer Note 34(10) and 10.6)** - National High Power Test Laboratory (P) Limited " | 0.42 | 6.27 |
| | **Sub-total** | **0.42** | **6.27** |
| **C** | **Employees Loan (including accrued interest) (Refer Note 10.2)** | | |
| | - Loans Receivables- Considered good- Secured | 16.86 | 15.64 |
| | - Loans Receivables- Considered good- Unsecured | 35.23 | 28.62 |
| | - Loans Receivables which have significant increase in Credit Risk | 0.01 | 0.01 |
| | Less : Impairment allowances for loans which have significant increase in Credit Risk (Refer Note 10.1) | 0.01 | 0.01 |
| | **Sub-total** | **52.09** | **44.26** |
| | **TOTAL** | **52.87** | **51.01** |
| **10.1** | **Impairment Allowances for loan which have significant increase in Credit Risk** | | |
| | Opening Balance | 0.01 | 0.01 |
| | **Closing balance** | **0.01** | **0.01** |
| **10.2** | Due from directors or other officers of the company. **(Refer Note 34 (10))** | 0.22 | 0.05 |
| **10.3** | Advance due by firms or private companies in which any Director of the Company is a Director or member. | Nil | Nil |

**10.4** Particulars of Loans as required in terms of section 186(4) of Companies Act 2013 have been disclosed under Note 10 above.

**10.5** Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

**10.6** Represents loan granted for business purpose.

## NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | Claims recoverable | 957.05 | 770.97 |
| | Less: Allowances for Doubtful Recoverables **(Refer Note 11.1)** | 275.18 | 285.78 |
| | **Sub-total** | **681.87** | **485.19** |
| B | Receivable on account of unbilled revenue **(Refer Note 11.2)** | 1,758.91 | 2,589.41 |
| C | Receivable from Subsidiaries / Joint Ventures **(Refer Note 11.3)** | 44.02 | 43.00 |
| D | Receivable on account of Late Payment Surcharge | 89.77 | 233.22 |
| E | Lease Rent receivable (Finance Lease) **(Refer Note 34(18)(B))** | 166.84 | 117.50 |
| F | Interest recoverable from beneficiary | 141.41 | 3.52 |
| G | Interest Income accrued on Bank Deposits **(Refer Note 11.4)** | 51.11 | 56.33 |
| H | Interest Accrued on Investment (Bonds) | 2.53 | 2.52 |
| I | Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.3(C ))** | 2.53 | 2.52 |
| | - Interest accrued | 4.49 | 4.48 |
| | **TOTAL** | **2,940.95** | **3,535.17** |
| **11.1** | **Allowances for Doubtful Recoverables** | | |
| | Opening Balance | 285.78 | 203.43 |
| | Addition during the year | 8.50 | 85.69 |
| | Used during the year | 17.56 | - |
| | Reversed during the year | 1.54 | 3.34 |
| | **Closing balance** | **275.18** | **285.78** |
| **11.2** | **Represents receivable on account of :** | | |
| | Grossing up of Return on Equity | (134.47) | (40.78) |
| | Water cess | 64.89 | 647.12 |
| | Unbilled sale for the month of March | 564.25 | 558.69 |
| | Revision in NAPAF for 2009-14-Sewa-II Power Station | 49.52 | - |
| | Annual Fixed Charges pending revision/ approval-TLDP-IV Power Station | - | 128.65 |
| | Saving due to refinancing & Bond Issue Expenses | (23.33) | (2.66) |
| | Tax adjustment including Deferred Tax Materialized | 55.81 | 196.01 |
| | Energy Shortfall | 292.48 | 383.58 |
| | Additional Impact of Goods and Services Tax | 159.90 | 112.59 |
| | Foreign Exchange Rate Variation | 51.92 | 43.68 |
| | Operation and Maintenance and Security Expenses-Incresae as per new Tariff Regulation 2019-24 | 635.74 | 257.46 |
| | Depreciation on account of change in project life | (312.50) | (47.91) |
| | Wage Revision | 452.54 | 221.38 |
| | Unbilled Debtor- Power Trading Business | - | 58.03 |
| | Revision Of Annual Fixed Charges -Sewa-II, Uri-II, Chamera-III and TLDP-III Power Station | - | 92.33 |
| | Impact of Truing up 2014-19 and Petition filed for 2019-24. | (13.19) | 83.89 |
| | Rate Revision -TLDP-III Power Station | (157.12) | (123.18) |
| | Annual Fixed Charges Pending Revision-OSPS | - | 10.86 |
| | Others | 72.47 | 9.67 |
| | **Total** | **1,758.91** | **2,589.41** |

**11.3** Receivable from Joint ventures includes claim of the company towards capital expenditure incurred on Kiru & Kawar HE Projects which have been transferred to M/s Chenab Valley Power Projects Private Limited (a joint venture company of NHPC Limited, Jammu and Kashmir State Power Development Corporation and PTC India Limited).

**11.4** Includes interest accrued of ₹ 0.16 Crore (Previous Year ₹ 0.15 Crore) on balances held for works being executed by company on behalf of other agencies and not freely available for the business of the Company.

**11.5** Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

## NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | **Current Tax Assets** | | |
| **A** | Advance Income Tax including Tax Deducted at Source | 2,784.07 | 1,373.29 |
| **B** | Less: Provision for Current Tax | 2,620.11 | 1,289.13 |
| | **Net Current Tax Asset (A - B)** | **163.96** | **84.16** |
| | Income Tax Refundable | 24.36 | 90.95 |
| | **Total** | **188.32** | **175.11** |

## NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A.** | **Advances other than Capital Advances** | | |
| **a)** | **Deposits** | | |
| | - Considered good- Unsecured | 27.23 | 20.44 |
| | **Less :** Expenditure booked against demand raised by Government Departements | - | 0.10 |
| | - Considered doubtful- Unsecured | 74.79 | 0.01 |
| | **Less :** Allowances for Doubtful Deposits **(Refer Note 13.1)** | 74.79 | 0.01 |
| | **Sub-total** | **27.23** | **20.34** |
| **b)** | **Advance to contractors and suppliers (Refer Note 13.8)** | | |
| | - Considered good- Secured | - | 0.76 |
| | - Considered good- Unsecured | | |
| | – Against bank guarantee | 1.02 | 13.40 |
| | – Others | 30.62 | 60.77 |
| | Less : Expenditure booked pending utilisation certificate | 12.41 | 12.26 |
| | - Considered doubtful- Unsecured | 61.93 | 45.52 |
| | **Less : Allowances for doubtful advances (Refer Note 13.2)** | 61.93 | 45.52 |
| | **Sub-total** | **19.23** | **62.67** |
| **c)** | **Other advances - Employees** | | |
| | - Considered good- Unsecured **(Refer Note 13.7)** | 0.81 | 2.94 |
| | - Considered doubtful- Unsecured | – | |
| | **Sub-total** | **0.81** | **2.94** |
| **d)** | **Interest accrued** | | |
| | Others | | |
| | - Considered Good | 1.32 | 67.45 |
| | **Sub-total** | **1.32** | **67.45** |
| **B.** | **Others** | | |
| a) | Expenditure awaiting adjustment | 37.06 | 37.06 |
| | Less: Allowances for project expenses awaiting write off sanction **(Refer Note 13.4)** | 37.06 | 37.06 |
| | **Sub-total** | - | - |
| b) | Losses awaiting write off sanction/pending investigation | 8.51 | 11.49 |
| | Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.5)** | 8.51 | 11.49 |
| | **Sub-total** | - | - |

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| c) | **Prepaid Expenditure** | 187.56 | 141.35 |
| d) | **Deferred Cost on Employees Advances** | 10.31 | 5.64 |
| e) | **Deferred Foreign Currency Fluctuation** | | |
| | Deferred Foreign Currency Fluctuation Assets | 50.03 | 38.32 |
| | Deferred Expenditure on Foreign Currency Fluctuation | 4.56 | 1.71 |
| f) | **Surplus / Obsolete Assets (Refer Note 13.9)** | 11.09 | 5.53 |
| g) | **Goods and Services Tax Input Receivable** | 29.09 | 16.53 |
| | Less: Allowances for Goods and Services Tax Input Receivable **(Refer Note 13.6)** | 13.54 | - |
| | **Sub-total** | **15.55** | **16.53** |
| h) | **Others (Mainly on account of Material Issued to Contractors** | **59.49** | **34.53** |
| | **TOTAL** | **387.18** | **397.01** |
| **13.1** | **Allowances for Doubtful Deposits** | | |
| | Opening Balance | 0.01 | 0.01 |
| | Addition during the year | 74.79 | - |
| | Used during the year | - | - |
| | Reversed during the year | 0.01 | - |
| | **Closing balance** | **74.79** | **0.01** |
| **13.2** | **Allowances for doubtful advances (Contractors and Suppliers)** | | |
| | Opening Balance | 45.52 | 45.52 |
| | Addition during the year | 16.41 | - |
| | Used during the year | - | - |
| | Reversed during the year | - | - |
| | **Closing balance** | **61.93** | **45.52** |
| **13.3** | **Allowances for Doubtful Accrued Interest** | | |
| | Opening Balance | - | 108.90 |
| | Reversed during the year | - | 108.90 |
| | **Closing balance** | **-** | **-** |
| **13.4** | **Allowances for project expenses awaiting write off sanction** | | |
| | Opening Balance | 37.06 | 37.06 |
| | **Closing balance** | **37.06** | **37.06** |
| **13.5** | **Allowances for losses pending investigation/ awaiting write off / sanction** | | |
| | Opening Balance | 11.49 | 39.25 |
| | Addition during the year | 0.21 | 0.26 |
| | Adjustment | - | 1.24 |
| | Used during the year | 0.18 | 29.08 |
| | Reversed during the year | 3.01 | 0.18 |
| | **Closing balance** | **8.51** | **11.49** |
| **13.6** | Allowances for goods & services tax input receivables | | |
| | Opening Balance | - | - |
| | Addition during the year | 13.54 | - |
| | **Closing balance** | **13.54** | **-** |
| **13.7** | Loans and Advances due from Directors or other officers at the end of the year. | Nil | Nil |
| **13.8** | Advance due by Firms or Private Companies in which any Director of the Company is a Director or member. | Nil | Nil |

**13.9** Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.

**13.10** Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

## NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| A | **Regulatory Deferral Account Balances in respect of Subansiri Lower Project** | | |
| | Opening Balance | 3,470.59 | 3,267.34 |
| | Addition during the year **(Refer Note 31)** | - | 203.25 |
| | **Closing balance** | **3,470.59** | **3,470.59** |
| B | **Wage Revision as per 3rd Pay Revision Committee** | | |
| | Opening Balance | 670.93 | 670.93 |
| | **Closing balance** | **670.93** | **670.93** |
| C | **Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff** | | |
| | Opening Balance | 367.60 | 171.98 |
| | Addition during the year **(Refer Note 31)** | 195.51 | 195.62 |
| | **Closing balance** | **563.11** | **367.60** |
| D | **Exchange Differences on Monetary Items** | | |
| | Opening Balance | 0.02 | (0.97) |
| | Addition during the year **(Refer Note 31)** | 1.70 | 0.99 |
| | **Closing balance** | **1.72** | **0.02** |
| E | **Adjustment against Deferred Tax Recoverable for tariff period upto 2009** | | |
| | Opening Balance | 1,790.62 | 2,034.82 |
| | Used during the year **(Refer Note 31)** | 75.47 | 167.99 |
| | Reversed during the year | - | 76.21 |
| | **Closing balance** | **1,715.15** | **1,790.62** |
| F | **Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards** | | |
| | Opening Balance | 837.09 | 835.04 |
| | Addition during the year **(Refer Note 31)** | 6.28 | 69.46 |
| | Reversed during the year **(Refer Note 31)** | - | 67.41 |
| | **Closing balance** | **843.37** | **837.09** |
| G | **Regulatory Deferral Account Balances on account of Borrowings and other Costs incurred during Covid-19 Lock Down Period** | | |
| | Addition during the year (Refer Note 31) | 99.06 | - |
| | **Closing balance** | **99.06** | |
| | **Closing Balance (A+B+C+D+E+F+G)** | **7,363.93** | **7,136.85** |
| | Less: Deferred Tax on Regulatory Deferral Account Balances | (296.79) | (320.96) |
| | Add: Deferred Tax recoverable from Beneficiaries | (296.79) | (320.96) |
| | **Regulatory Deferral Account Balances net of Deferred Tax.** | **7,363.93** | **7,136.85** |

**14.1** Refer Note 34(19) and 34(23) of Consolidated Financial Statement.

## NOTE NO. 14.2 REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(₹ in Crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Minimum Alternate Tax Credit Entitlement** | | |
| Opening Balance | 747.92 | - |
| Addition during the year (Refer Note 31) | 45.21 | 747.92 |
| Used during the Year | 35.47 | - |
| Reversed during the year | - | - |
| **Closing Balance** | **757.66** | **747.92** |

14.2.1 Refer Note 34(23) of Consolidated Financial Statement.

## NOTE NO. 15.1 EQUITY SHARE CAPITAL

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos | Amount (₹ in Crore) | Nos | Amount (₹ in Crore) |
| Authorized Share Capital (Par value per share ₹ 10) | 15000000000 | 15,000.00 | 15000000000 | 15,000.00 |
| Equity shares issued, subscribed and fully paid (Par value per share ₹ 10) | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |

**15.1.1** Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos | Amount (₹ in Crore) | Nos | Amount (₹ in Crore) |
| **Opening Balance** | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |
| **Closing Balance** | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |

**15.1.2** The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.

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

**15.1.3** Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Number | In (%) | Number | In (%) |
| - President of India | 7126772676 | 70.95% | 7126772676 | 70.95% |
| - Life Insurance Corporation of India | 739309259 | 7.36% | 736631947 | 7.33% |

**15.1.4** 1,02,56,33,691 equity shares of ₹ 10 each were bought back during the period of five years immediately preceeding the date of Balance Sheet.

## NOTE NO. 15.2 OTHER EQUITY

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **(i)** | **Capital Reserve (Refer Note 34 (32))** | | |
| | As per last Balance Sheet | 40.93 | 40.93 |
| | Add: Addition During the Year | 23.15 | |
| | **As at Balance Sheet date** | **64.08** | **40.93** |

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **(ii)** | **Capital Redemption Reserve** | | |
| | As per last Balance Sheet | 2,255.71 | 2,255.71 |
| | **As at Balance Sheet date** | **2,255.71** | **2,255.71** |
| **(iii)** | **Bond Redemption Reserve** | | |
| | As per last Balance Sheet | 1,948.38 | 2,193.35 |
| | Less: Transfer to Surplus / Retained Earnings | 306.43 | 244.97 |
| | **As at Balance Sheet date** | **1,641.95** | **1,948.38** |
| **(iv)** | **Corporate Social Responsibility Fund** | | |
| | As per last Balance Sheet | 3.61 | 11.38 |
| | Add: Transfer from Surplus | - | 0.22 |
| | Less: Write back during the year | 3.61 | 7.99 |
| | **As at Balance Sheet date** | **-** | **3.61** |
| **(v)** | **General Reserve** | | |
| | As per last Balance Sheet | 11,544.83 | 11,417.14 |
| | Add: Transfer from Surplus/Retained Earnings | - | 127.69 |
| | **As at Balance Sheet date** | **11,544.83** | **11,544.83** |
| **(vi)** | **Surplus/Retained Earnings** | | |
| | As per last Balance Sheet | 5,466.04 | 4,768.82 |
| | Add: Profit during the year | 3,257.00 | 2,884.92 |
| | Add: Other Comprehensive Income during the year | (42.99) | 28.40 |
| | Add: Amount written back from Bond Redemption Reserve | 306.43 | 244.97 |
| | Add: Amount written back from Corporate Social Responsibility Fund | 1.84 | 4.08 |
| | Less: Dividend (Final and Interim) **(Refer Note 33(3)(C))** | 1,577.07 | 1,938.69 |
| | Less: Tax on Dividend **(Refer Note 33(3)(C))** | - | 398.50 |
| | Less: Transfer to General Reserve | - | 127.69 |
| | Less: Transfer to Corporate Social Responsibility Fund | - | 0.11 |
| | Add: Transactions with NCI | 0.69 | (0.16) |
| | **As at Balance Sheet date** | **7,411.94** | **5,466.04** |
| **(vii)** | **Fair value through Other Comprehensive Income (FVTOCI)- Debt Instruments** | | |
| | As per last Balance Sheet | 42.18 | 30.08 |
| | Add:-Change in Fair value of FVTOCI (Net of Tax) | 3.23 | 12.10 |
| | **As at Balance Sheet date** | **45.41** | **42.18** |
| **(viii)** | **Fair value through Other Comprehensive Income (FVTOCI)- Equity Instruments** | | |
| | As per last Balance Sheet | 34.21 | 76.30 |
| | Add:-Change in Fair value of FVTOCI (Net of tax) | 47.13 | (42.09) |
| | **As at Balance Sheet date** | **81.34** | **34.21** |
| | **TOTAL** | **23,045.26** | **21,335.89** |

**15.2.1 Nature and Purpose of Reserves**

(i) **Capital Reserve :** The Company has acquired Jal Power Corporation Limited (JPCL) through National Company Law Tribunal (NCLT) during the year. The gain on bargain purchase of JPCL has been recognised in Capital Reserve.

(ii) **Capital Redemption Reserve :** The company is required to create a capital redemption reserve from distributable profit if the buy-back of shares is out of free reserves. The nominal value of the shares so bought back is required to be transferred to capital redemption reserve.

(iii) **Bond Redemption Reserve :** As per the Companies (Share Capital and Debentures) Rules, 2014, the Company was required to create a Bond Redemption Reserve out of available profits for the purpose of redemption of bonds. The Companies (Share Capital and Debentures) Amendment Rules, 2019 exempts the Company from creation of Bond Redemption Reserve. The Amendment Rules, 2019 further stipulate that the amount credited to Debenture Redemption Reserve shall not be utilized by the company except for the purpose of redemption of debentures. Accordingly, though the Bond Redemption Reserve created till 31.03.2019 has been carried forward and further utilised for bonds redeemed during the current year, no further accrual to the reserve has been made.

(iv) **Corporate Social Responsibility Fund** has been created by NHDC Limited, a subsidiary company of the Group to fund unutilized budget on CSR activities of earlier years.

(v) **General Reserve :** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.

(vi) **Surplus/ Retained Earnings:** Surplus/ Retained earnings generally represent the undistributed profit/ amount of accumulated earnings of the company and includes remeasurement gain/ losses on defined benefit obligations.

(vii) **Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments :** The Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant debt securities are disposed.

(viii) **Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments :** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

## NOTE NO. 15.3 : NON-CONTROLLING INTERESTS (NCI)

(₹ in Crore)

| Name of Subsidiaries | 31-Mar-21 | 31-Mar-20 |
|---|---|---|
| NHDC Limited | 2,784.98 | 2,729.62 |
| Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL) | 38.08 | 38.44 |
| Bundelkhand Saur Urja Pvt. Ltd. (BSUL) | 5.34 | 5.70 |
| Lanco Teesta Hydro Power Limited (LTHPL) | - | - |
| Jal Power Corporation Limited (JPCL) | - | - |
| **TOTAL** | **2,828.40** | **2,773.76** |

**Explanatory Note:**

**a) INTERESTS IN OTHER ENTITIES**

The group's subsidiaries at 31st March, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

(₹ in Crore)

| Name of entity | Place of business/ country of incorpo-ration | Ownership interest held by the group | | Ownership interest held by non-controlling interests | | Principal activities |
|---|---|---|---|---|---|---|
| | | 31-Mar-21 % | 31-Mar-20 % | 31-Mar-21 % | 31-Mar-20 % | |
| NHDC Limited | India | 51.08 | 51.08 | 48.92 | 48.92 | Electricity generation |
| Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL) | India | 74.92 | 73.17 | 25.08 | 26.83 | Electricity generation |
| Bundelkhand Saur Urja Pvt. Ltd. (BSUL) | India | 74.00 | 99.99 | 26.00 | 0.01 | Electricity generation |
| Lanco Teesta Hydro Power Limited (LTHPL) (w.e.f. 09.10.2019) | India | 100.00 | 100.00 | 0.00 | 0.00 | Electricity generation |
| Jal Power Corporation Limited (JPCL) (w.e.f. 31.03.2021)# | India | 100.00 | 100.00 | 0.00 | 0.00 | Electricity generation |

# During the year, NHPC Limited acquired Jal Power Corporation Limited through NCLT. Refer Note 34(32) of consolidated Financial Statement for detail disclosure.

**b Non-Controlling Interest (NCI)**

Set out below is summarised financial information for each subsidiary that has non-controlling interests to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ in Crore)

| Particulars | NHDC Limited | | Loktak Downstream Hydroelectric Corporation Ltd. | | Bundelkhand Saur Urja Pvt. Ltd. | | Lanco Teesta Hydro Power Limited (LTHPL) (w.e.f 09.10.2019) | | Jal Power Corporation Limited (JPCL) (w.e.f 31.03.2021) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| Current Assets | 2,065.24 | 1,976.17 | 1.69 | 2.20 | 46.82 | 12.73 | 45.31 | 16.15 | 0.14 | - |
| Current Liabilities | 473.57 | 363.15 | 2.43 | 5.09 | 14.12 | 16.97 | 12.38 | 5.76 | 0.15 | - |
| **Net Current Assets** | **1,591.67** | **1,613.02** | **(0.74)** | **(2.89 )** | **32.70** | **(4.24)** | **32.93** | **10.39** | **(0.01 )** | **-** |
| Non-current Assets | 5,623.15 | 5,563.80 | 152.62 | 146.16 | 15.97 | 13.64 | 1,004.92 | 952.24 | 188.17 | - |
| Regulatory Deferral Account Balance | (457.03) | (447.29) | - | - | - | - | - | - | - | - |
| Non-current Liabilities | 1,065.25 | 1,146.56 | - | - | - | - | 1.69 | 1.26 | - | - |
| **Net Non-current Assets** | **4,100.87** | **3,969.95** | **152.62** | **146.16** | **15.97** | **13.64** | **1,003.23** | **950.98** | **188.17** | **-** |
| **Net Assets** | **5,692.54** | **5,582.97** | **151.88** | **143.27** | **48.67** | **9.40** | **1,036.16** | **961.37** | **188.16** | **-** |
| **Share Application money pending allotment** | **-** | **-** | **-** | **-** | **28.14** | **5.71** | **-** | **-** | **-** | **-** |
| **Earmarked Reserves** | **-** | **3.61** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total of Non Controlling Interest** | **2,784.98** | **2,729.62** | **38.08** | **38.43** | **5.34** | **5.70** | **-** | **-** | **-** | **-** |

c) **Summarised statement of profit and loss**

(₹ in Crore)

| Particulars | NHDC Limited | | Loktak Downstream Hydroelectric Corporation Ltd. | | Bundelkhand Saur Urja Pvt. Ltd. | | Lanco Teesta Hydro Power Limited (LTHPL) (w.e.f 09.10.2019) | | Jal Power Corporation Limited (JPCL) (w.e.f 31.03.2021) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **31-Mar-21** | **31-Mar-20** | **31-Mar-21** | **31-Mar-20** | **31-Mar-21** | **31-Mar-20** | **31-Mar-21** | **31-Mar-20** | **31-Mar-21** | **31-Mar-20** |
| Revenue | 1,348.42 | 1,494.57 | 0.02 | 0.18 | 0.13 | 0.01 | - | - | - | - |
| Profit/(Loss) for the year | 674.37 | 1,873.98 | - | 0.10 | (0.13) | (0.19) | (0.21) | (0.06) | - | - |
| Regulatory Deferral Income | (9.74) | (933.82) | | | - | - | - | - | - | - |
| Other Comprehensive income | 0.33 | (1.87) | - | - | - | - | - | - | - | - |
| **Total Comprehensive income** | **664.96** | **938.29** | **-** | **0.10** | **(0.13)** | **(0.19)** | **(0.21)** | **(0.06)** | **-** | **-** |
| Profit allocated to NCI | 325.15 | 58.38 | - | | - | - | - | - | - | - |
| Dividends (including DDT) paid to NCI | 271.73 | | - | - | - | - | - | - | - | - |

d) **Summarised Cash Flows**

(₹ in Crore)

| Particulars | NHDC Limited | | Loktak Downstream Hydroelectric Corporation Ltd. | | Bundelkhand Saur Urja Pvt. Ltd. | | Lanco Teesta Hydro Power Limited (LTHPL) (w.e.f 09.10.2019) | | Jal Power Corporation Limited (JPCL) (w.e.f 31.03.2021) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **31-Mar-21** | **31-Mar-20** | **31-Mar-21** | **31-Mar-20** | **31-Mar-21** | **31-Mar-20** | **31-Mar-21** | **31-Mar-20** | **31-Mar-21** | **31-Mar-20** |
| Cash flows from operating activities | 577.55 | 403.91 | 0.35 | (0.44) | (0.21) | 0.98 | (17.09) | (0.30) | - | - |
| Cash flows from investing activities | 188.72 | 230.50 | (9.02) | 0.57 | (1.62) | (0.66) | (34.32) | (12.12) | 0.10 | - |
| Cash flows from financing activities | (555.46) | (635.44) | 8.61 | 5.70 | 35.80 | 0.99 | 75.00 | 23.00 | - | - |
| **Net increase / (decrease) in cash and cash equivalents** | **210.81** | **(1.03)** | **(0.06)** | **5.83** | **33.97** | **1.31** | **23.59** | **10.58** | **0.10** | **-** |

## NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | **At Amortised Cost** | | |
| **A** | **- Secured Loans** | | |
| | **-Bonds** | 15,679.99 | 14,532.79 |
| | **-Term Loan** | | |
| | - from Banks | - | 500.00 |
| | - from Other (Financial Institutions) | 316.00 | 474.00 |

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| B | **- Unsecured Loans** | | |
| | **-Term Loan** | | |
| | - from Government of India (Subordinate Debts) | 3,654.28 | 3,597.58 |
| | - from Other (in Foreign Currency) | 1,580.72 | 1,774.29 |
| | **Sub Total (A+B)** | **21,230.99** | **20,878.66** |
| C | **Long Term maturities of Lease Obligations (Refer Note 34(18)** | 12.28 | 13.14 |
| | **TOTAL (A+B+C)** | **21,243.27** | **20,891.80** |

**16.1.1** Debt Covenants : Refer Note 33(3) with regard to capital Management.

**16.1.2** Particulars of Redemption, Repayments and Securities.

## NOTE NO. 16.1.2

(₹ in Crore)

| | 16.1.2.A Particulars of redemptions, repayments and securities | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| (A) | **BONDS (Non-convertible and Non-cumulative)-Secured** | | |
| i) | **TAX FREE BONDS- 3A SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2033) | 336.07 | 336.07 |
| ii) | **TAX FREE BONDS- 3B SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2033) | 253.62 | 253.62 |
| iii) | **BONDS- U SERIES (Refer Note 16.1.2.B(2&7))**<br>(8.24% p.a. 15 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each).<br>(Date of redemption 27.06.2031) | 540.00 | 540.00 |
| iv) | **BONDS- U1 SERIES (Refer Note 16.1.2.B(2&7))**<br>(8.17% p.a. 15 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each).<br>(Date of redemption 27.06.2031) | 360.00 | 360.00 |
| v) | **TAX FREE BONDS- 2A SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2028) | 213.12 | 213.12 |
| vi) | **TAX FREE BONDS- 2B SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2028) | 85.61 | 85.61 |
| vii) | **BONDS-AC SERIES (Refer Note 16.1.2.B (15))**<br>(6.86% p.a. 15 Years Secured Redeemable Non Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crore redeemable in 10 equal annual installments commencing from 12.02.2027.) | 1,500.00 | - |
| viii) | **BONDS-AB SERIES (Refer Note 16.1.2.B (14))**<br>(6.80% p.a. 10 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 750 Crore redeemable in 5 equal annual installments commencing from 24.04.2026.) | 750.00 | - |

| 16.1.2.A | Particulars of redemptions, repayments and securities | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| ix) | **BONDS-AA-1 SERIES (Refer Note 16.1.2.B (13))**<br>(6.89% p.a. 10 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 500 Crore redeemable in 5 equal annual installments commencing from 11.03.2026.) | 500.00 | 500.00 |
| x) | **BONDS-AA SERIES (Refer Note 16.1.2.B (13)**<br>(7.13% p.a. 10 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crore redeemable in 5 equal annual installments commencing from 11.02.2026.) | 1,500.00 | 1,500.00 |
| xi) | **BONDS-Y-1 SERIES (Refer Note 16.1.2.B (12))**<br>(7.38% p.a. 10 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 500 Crore redeemable in 5 equal annual installments commencing from 03.01.2026.) | 500.00 | 500.00 |
| xii) | **BONDS-Y SERIES (Refer Note 16.1.2.B (12))**<br>(7.50% p.a. 10 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 5 separately transferable redeemable principal parts and each separetely transferable redeemable principal part comprising 1/5th of face value of Bond.)<br>(Bond issue amount of ₹ 1500 Crore redeemable in 5 equal annual installments commencing from 07.10.2025) | 1,500.00 | 1,500.00 |
| xiii) | **TAX FREE BONDS- 1A SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2023) | 50.81 | 50.81 |
| xiv) | **TAX FREE BONDS- 1B SERIES (Refer Note 16.1.2.B(3&6))**<br>(8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2023) | 60.77 | 60.77 |
| xv) | **BONDS-W2 SERIES (Refer Note 16.1.2.B(10))**<br>(7.35% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(5 Yearly redemptions of ₹ 150.00 Crore each w.e.f. 15.09.2023 to 15.09.2027) | 750.00 | 750.00 |
| xvi) | **BONDS-V2 SERIES (Refer Note 16.1.2.B(3))**<br>(7.52% p.a. 10 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(5 Yearly redemptions of ₹ 295.00 Crore each w.e.f. 06.06.2023 to 06.06.2027) | 1,475.00 | 1,475.00 |
| xvii) | **BONDS-X SERIES (Refer Note 16.1.2.B(1 &3))**<br>(8.65% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each Redeemable in 7 equal yearly installments).<br>(Bond issue amount of ₹ 1500 Crore redeemable in 7 equal annual insallments commencing from 08.02.2023) | 1,500.00 | 1,500.00 |
| xviii) | **BONDS-T SERIES (Refer Note 16.1.2.B(1,2 &7))**<br>(8.50% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 1474.92 Crore redeemable in 12 equal annual installments commencing from 12.07.2019. As on 31.03.2021, 10 annual installments of ₹ 122.91 Crore each are outstanding) | 1,229.10 | 1,352.01 |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| xix) | **BONDS-R-3 SERIES (Refer Note 16.1.2.B(3))**<br>(8.78% p.a. 15 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 892.00 Crore redeemable in 10 equal annual installments commencing from 11.02.2019. (As on 31.03.2021, 7 annual installments of ₹ 89.20 Crore each are outstanding). | 624.40 | 713.60 |
| xx) | **BONDS-S-2 SERIES (Refer Note 16.1.2.B(7))**<br>(8.54% p.a. 15 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 660.00 Crore redeemable in 12 equal annual installments commencing from 26.11.2018. As on 31.03.2021, 9 annual installments of ₹ 55.00 Crore each are outstanding). | 495.00 | 550.00 |
| xxi) | **BONDS-W1 SERIES (Refer Note 16.1.2.B(10))**<br>(6.91% p.a. 5 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crore redeemable in 5 equal annual installments commencing from 15.09.2018. As on 31.03.2021, 2 annual installments of ₹ 300 Crore each are outstanding). | 600.00 | 900.00 |
| xxii) | **BONDS-V SERIES (Refer Note 16.1.2.B(3))**<br>(6.84% p.a. 5 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 5,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond)<br>(5 Yearly redemptions of ₹ 155.00 Crore each w.e.f. 24.01.2018 to 24.01.2022. As on 31.03.2021, 1 annual installments of ₹ 155 Crore each are outstanding). | 155.00 | 310.00 |
| xxiii) | **BONDS-Q SERIES (Refer Note 16.1.2.B(4&8))**<br>(9.25% p.a. 15 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 1266.00 Crore redeemable in 12 equal annual insallments commencing from 12.03.2016. As on 31.03.2021, 6 annual installments of ₹ 105.50 Crore each are outstanding). | 633.00 | 738.50 |
| xxiv) | **BONDS-R-2 SERIES (Refer Note 16.1.2.B(3))**<br>(8.85% p.a. 14 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 382.08 Crore redeemable in 12 equal annual insallments commencing from 11.02.2016. As on 31.03.2021, 6 annual installments of ₹ 31.84 Crore each are outstanding). | 191.04 | 222.88 |
| xxv) | **BONDS-P SERIES (Refer Note 16.1.2.B(3,5 &6))**<br>(9.00% p.a. 15 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments).<br>(Bond issue amount of ₹ 2000 Crore redeemable in 10 equal annual insallments commencing from 01.02.2016. As on 31.03.2021, 4 annual installments of ₹ 200 Crore each are outstanding). | 800.00 | 1,000.00 |
| xxvi) | **BONDS-S-1 SERIES (Refer Note 16.1.2.B(7))**<br>(8.49% p.a. 10 Years Secured Redeemable Non Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond)<br>(Bond issue amount of ₹ 365 Crore redeemable in 10 equal annual insallments commencing from 26.11.2015. As on 31.03.2021, 4 annual installments of ₹ 36.50 Crore each are outstanding). | 146.00 | 182.50 |

| | 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|---|
| xxvii) | **BONDS-R-1 SERIES (Refer Note 16.1.2.B(3))**<br>(8.70% p.a. 13 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 82.20 Crore redeemable in 12 equal annual insallments commencing from 11.02.2015. As on 31.03.2021, 5 annual installments of ₹ 6.85 Crore each are outstanding). | | 34.25 | 41.10 |
| | **Total Bonds** | | **16,782.79** | **15,635.59** |
| | **Less Current Maturities** | | **1,102.80** | **1,102.80** |
| | **Bonds - Net of current maturities** | **(A)** | **15,679.99** | **14,532.79** |
| **(B)** | **TERM LOANS - Secured (Banks)** | | | |
| i) | **ORIENTAL BANK OF COMMERCE (Refer Note 16.1.2.B(2))**<br>(Repayable in 3 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2021. ) | | - | 10.00 |
| ii) | **STATE BANK OF INDIA (Refer Note 16.1.2.B(11))**<br>(Repayable in 28 equal quarterly instalments (27 instalment of ₹ 17.858 Crore and last 28th instalment of ₹ 17.834 Crore upto 31.08.2028 at floating (MCLR with annual reset) interest rate ). | | - | 500.00 |
| | **Total Term Loan - Banks (Secured)** | | **-** | **510.00** |
| | **Less Current Maturities** | | - | 10.00 |
| | **Term Loan - Banks Net of current maturities** | **(B)** | **-** | **500.00** |
| **(C)** | **Term Loan-From other (Secured)** | | | |
| i) | **LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(3&5))**<br>(Repayable in half yearly instalments of ₹ 104.16667 Crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 8.33 Crore and 8.00% p.a. on ₹ 200 Crore.) | | - | 208.33 |
| ii) | **LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(4&8))**<br>(Repayable in 6 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a. as on 31.03.2021) | | 474.00 | 632.00 |
| | **Total Term Loan - Other Parties (Secured)** | | **474.00** | **840.33** |
| | **Less Current Maturities** | | 158.00 | 366.33 |
| | **Term Loan - Other Net of current maturities** | **(C)** | **316.00** | **474.00** |
| **(D)** | **Term Loan-From Government of India (Unsecured)** | | | |
| | **Loans from Government of India (At fair value)** | | | |
| i) | **Subordinate Debt from Government of India for Nimmo-Bazgo Power Station**<br>(Repayable in 18 equal annual instalments of ₹ 29.0577 Crore each in respect of undiscounted amount from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.) | | 429.13 | 424.54 |
| ii) | **Subordinate Debt from Government of India for Chutak Power Station**<br>(Repayable in 24 equal annual instalments of ₹ 23.11 Crore each in respect of undiscounted amount from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.) | | 424.01 | 442.14 |
| iii) | **Subordinate Debt from Government of India for Kishanganga Power Station**<br>(Repayable in 10 equal annual instalments of ₹ 364.458 Cr. each in respect of undiscounted amount from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after 11 years of commissioning of the project i.e. from 24.05.2029) | | 2,824.25 | 2,754.01 |
| | **Total Term Loan -Government (Unsecured)** | | **3,677.39** | **3,620.69** |
| | **Less Current Maturities** | | 23.11 | 23.11 |
| | **Term Loan - Other Parties Net of current maturities** | **(D)** | **3,654.28** | **3,597.58** |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| (E) | **TERM LOANS - From Others- Foreign Currency (Unsecured)** | | |
| i) | **Japan International Cooperation Agency Tranche-I (Refer Note 16.1.2.B(9))** (Repayable in 10 equal half yearly instalments of ₹ 8.14 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2021) | 81.44 | 102.67 |
| ii) | **Japan International Cooperation Agency Tranche-II (Refer Note 16.1.2.B(9))** (Repayable in 14 equal half yearly instalments of ₹ 26.72 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2021) | 374.06 | 449.07 |
| iii) | **Japan International Cooperation Agency Tranche-III (Refer Note 16.1.2.B(9))** (Repayable in 26 equal half yearly instalments of ₹ 19.74 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2021) | 513.12 | 580.49 |
| iv) | **MUFG Bank Limited, Singapore** (Repayable in one installment bullet on 25.07.2024 at floating rate of 6 month Libor + 0.75 %. The loan is hedged at coupan only swap fixed rate of 0.931 % (INR) p.a. & call spread coupan fixed rate of 6.25% (INR) p.a. with JPY strike price of ₹ 0.90.) | 721.30 | 756.77 |
| | **Total Term Loan -Other Parties -Foreign Currency (Unsecured)** | **1,689.92** | **1,889.00** |
| | **Less Current Maturities** | 109.20 | 114.71 |
| | **Term Loan - Other Parties- Foreign Currency (Unsecured) (E)** | **1,580.72** | **1,774.29** |
| | **Grand Total (A+B+C+D+E)** | **21,230.99** | **20,878.66** |

**16.1.2.B Particulars of security**

1. Secured by pari-passu charge by way of equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamera-I Power Station situated in the state of Himachal Pradesh.
2. Secured by pari-passu charge by way of equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri-I Power Station situated in the state of Jammu & Kashmir.
3. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
4. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
5. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
6. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
7. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-III Power Station situated in the state of Himachal Pradesh.
8. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
9. Loans mentioned at sl. nos. E(i),E(ii) and E(iii) above are guaranteed by Government of India.
10. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II Project situated in the state of Himachal Pradesh and Secured by pari-passu charge by way of hypothecation against the moveable assets (except for Book Debts and Stores) of the Company's Dulhasti Power Station situated in the state of Jammu & Kashmir is under process.
11. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and movable (except for Book Debts and Stores) of the Company's TLDP-III Power Station situated in the state of West Bengal.
12. Security creation by pari-passu charge by mortgage and hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Parbati-II Project situated in the state of Himachal Pradesh and secured by pari-passu charge by way of hypothecation against the movable assets (except for book debts and stores) of the company's Kishanganga Power Station situated in the state of J & K.
13. Security creation by pari-passu charge, by mortgage/hypothecation against the movable and immovable assets (except for book debts and stores) of the Company's Parabati II Project, Parbati -III Power Station, Chamera II Power Station situated in the state of Himachal Pradesh and Dhauliganga Power Station situated in the state of Uttrakhand.
14. Security creation by pari-passu charge, by mortgage/hypothecation against the movable and immovable assets (except for book debts and stores) of the Company's Chamera II Power Station situated in the state of Himachal Pradesh.
15. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for book debts and stores) of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh.

## NOTE NO. 16.2 FINANCIAL LIABILITIES - NON CURRENT - OTHERS

(₹ in Crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Payable towards Bonds Fully Serviced by Government of India **(Refer Note 16.2.1)** | | |
| - Principal | 2,017.20 | 2,017.20 |
| Retention Money | 38.05 | 43.09 |
| **TOTAL** | **2,055.25** | **2,060.29** |

16.2.1 For meeting funding requirement of Government of India for the Scheme of Power System Development Fund (PSDF) during the year 2018-19, the company has raised an aggregate amount of ₹ 2017.20 Crore through private placement of Unsecured Non-cumulative Non-convertible Redeemable, taxable 'Government of India Fully Serviced Bonds- Series- I', with face value of ₹ 10,00,000/- each, in the nature of debentures (Bonds). As per Ministry of Power (MoP) letter dated 12.03.2019 read with letter of Ministry of Finance (MoF) dated 21.01.2019 & 11.03.2019, the repayment of principal and interest of the above bonds shall be made by Government of India by making suitable budget provisions in the demand of Ministry of Power as per estimated liabilities. Accordingly, the amount of such bonds along with interest payable to Bond Holders is appearing as financial liability as above and also the amount recoverable by the company from Government of India has been shown as "Amount recoverable on account of Bonds fully serviced by Government of India" under Non-Current Financial Assets-Others under **Note No-3.3 (C).**

Interest paid by the Company to the Bond holders is recognised as a recoverable from Government of India under "Financial Assets"

**Detail of Government of India Fully Serviced Bonds raised during financial year 2018-19 is as under :**

**"Government of India Fully Serviced Bond-I Series:**

| | | |
|---|---|---|
| 8.12% semi-annual, 10 year unsecured, non-cumulative, redeemable, non-convertible Taxable Bonds of ₹ 10,00,000/- each.<br>(Date of redemption - 22.03.2029) | 2,017.20 | 2,017.20 |

## NOTE NO. 17 PROVISIONS - NON CURRENT

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A.** | **PROVISION FOR EMPLOYEE BENEFITS** | | |
| **i)** | **Provision for Long term Benefits (Provided for on the basis of actuarial valuation)** | | |
| | As per last Balance Sheet | 35.07 | 27.38 |
| | Additions during the year | 0.11 | 8.67 |
| | Amount used during the year | 27.01 | 0.98 |
| | **Closing Balance** | **8.17** | **35.07** |
| **B.** | **OTHERS** | | |
| **i)** | **Provision For Committed Capital Expenditure** | | |
| | As per last Balance Sheet | 1.43 | 1.37 |
| | Additions during the year | 0.01 | - |
| | Amount used during the year | 0.21 | - |
| | Amount reversed during the year | - | 0.08 |
| | Unwinding of discount | 0.14 | 0.14 |
| | **Closing Balance** | **1.37** | **1.43** |
| **ii)** | **Provision For Livelihood Assistance** | | |
| | As per last Balance Sheet | 18.57 | 17.66 |
| | Additions during the year | 1.03 | 1.35 |
| | Amount used during the year | 0.85 | 0.73 |
| | Amount reversed during the year | 0.08 | 0.14 |
| | Unwinding of discount | 0.41 | 0.43 |
| | **Closing Balance** | **19.08** | **18.57** |

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **iii)** | **Provision-Others** | | |
| | As per last Balance Sheet | 0.49 | 0.53 |
| | Additions during the year | 0.73 | 0.05 |
| | Amount used during the year | 0.15 | 0.06 |
| | Amount reversed during the year | - | 0.03 |
| | **Closing Balance** | **1.07** | **0.49** |
| | **TOTAL** | **29.69** | **55.56** |

**17.1** Information about Provisions is given in Note 34 (22) of Consolidated Financial Statement.

## NOTE NO. 18 DEFERRED TAX LIABILITIES (NET) - NON CURRENT

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | **Deferred Tax Liability** | | |
| a) | Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets. | 4,012.53 | 3,980.45 |
| b) | Financial Assets at FVTOCI | 25.19 | 42.98 |
| c) | Other Items | 717.65 | 695.61 |
| d) | Undistributed Earnings | 538.23 | 514.46 |
| | **Deferred Tax Liability** | **5,293.60** | **5,233.50** |
| | **Less:-Set off Deferred Tax Assets pursuant to set off provisions** | | |
| a) | Provision for employee benefit scheme, doubtful debts, inventory and others | 417.80 | 373.52 |
| b) | Other Items | 36.52 | 17.27 |
| c) | MAT credit entitlement **(Refer Note 18.2)** | 987.28 | 983.49 |
| | **Deferred Tax Assets** | **1,441.60** | **1,374.28** |
| | **Deferred Tax Liability (Net)** | **3,852.00** | **3,859.22** |

**18.1** Movement in Deferred Tax Liability/ (Assets) is given as Annexure to Note 18.1

**18.2** Recognition of MAT Credit by NHDC Ltd., a subsidiary of the Group- CERC Regulation provides the convincing evidence of realization of Annual Fixed cost. Hence on the above consideration future taxable income will result partial utilisation of MAT credit. The MAT credit entitlement as on 31/03/21 amounting to ₹ 987.27( Prevoius Year ₹ 983.49 Crore), after utilization of MAT credit for ₹ 35.47 during has been recognized as deferred tax asset on account of unused tax credits during FY 2020-21( Previous Years ₹ 83.71 Crore). Out of above an amount of ₹ 757.67 Crore ( Previous Year ₹ 747.92 Crore) has been recognized (as the same is passed to beneficiary through effective tax rate adjustment) as regulatory deferral credit balances.

**18.3** Pursuant to the provisions of Section 115BAA of the Income Tax Act 1961 announced by Tax Laws (amended) Ordinance 2019 and promulgated as Taxation Laws (amendment) Act 2019 enacted on 11th December 2019 applicable with effect from 1st April 2019, Domestic Companies have options to pay Income Tax at the concessional rates by forgoing certain exemptions/ deductions (the new tax regime) as specified in the said section. Parent company has Minimum Alternate Tax (MAT) credit of ₹ 2382.61 Crore lying unutilized as on 31st March, 2021 and is availing tax deductions in respect of its profit from generation of power from certain power stations. In view of this it has been decided to continue with earlier tax structure for Current and Deferred Tax recognition. Necessary decision for exercising the option under section 115BAA will be taken once tax deductions are not available and MAT credit is substantially exhausted.

**18.4** MAT credit entitlement is required to be recognised as Deferred Tax Assets based on convincing evidence of probability of future taxable profit in foreseeable future against which such credit can be utilized. Considering this and in absence of any current development for utilisation of MAT credit entitlement, the unutilized MAT credit of ₹ 2382.61 Crore on the principal of prudence as being followed in earlier years has been continued not to be recognised in financial statements. Moreover, Deferred Tax accrual or reversal has consequential impact on related Regulatory Deferral Account balances and even otherwise this is not expected to have material impact on the profit of the Group.

## 18.1: MOVEMENT IN DEFERRED TAX LIABILITY/ (ASSETS)

**2020-21**

**Movement in Deferred Tax Liability**

(₹ in Crore)

| Particulars | Property, Plant and Equipments, Investment Property and Intangible Assets. | Financial Assets at FVTOCI | Other Items | Undistributed Earnings | Total |
|---|---|---|---|---|---|
| **At 1st April 2020** | **3,980.45** | **42.98** | **695.61** | **514.46** | **5,233.50** |
| **Charged/(Credited)** | | | | | |
| -to Profit or loss | 32.08 | - | 21.93 | 23.77 | 77.78 |
| -to OCI | - | (17.80) | 0.12 | - | (17.68) |
| **At 31st March 2021** | **4,012.53** | **25.18** | **717.66** | **538.23** | **5,293.60** |

**Movement in Deferred Tax Assets**

(₹ in Crore)

| Particulars | Provision for employee benefit scheme, doubtful debts, inventory and others | Other Items | MAT Credit | Total |
|---|---|---|---|---|
| **At 1st April 2020** | **373.52** | **17.27** | **983.49** | **1,374.28** |
| **Charged/(Credited)** | | | | |
| -to Profit or loss | 44.27 | 19.25 | 3.80 | 67.32 |
| -to OCI | - | - | - | - |
| **At 31st March 2021** | **417.80** | **36.52** | **987.29** | **1,441.60** |

**2019-20**

**Movement in Deferred Tax Liability**

(₹ in Crore)

| Particulars | Property, Plant and Equipments, Investment Property and Intangible Assets. | Financial Assets at FVTOCI | Other Items | Undistributed Earnings | Total |
|---|---|---|---|---|---|
| **At 1st April 2019** | **3,911.72** | **11.02** | **744.68** | **400.63** | **5,068.05** |
| **Charged/(Credited)** | | | | | |
| -to Profit or loss | 68.73 | - | (49.00) | 113.83 | 133.56 |
| -to OCI | - | 31.96 | (0.07) | - | 31.89 |
| **At 31st March 2020** | **3,980.45** | **42.98** | **695.61** | **514.46** | **5,233.50** |

**Movement in Deferred Tax Assets**

(₹ in Crore)

| Particulars | Provision for employee benefit scheme, doubtful debts, inventory and others | Other Items | MAT Credit | Total |
|---|---|---|---|---|
| **At 1st April 2019** | **331.32** | **16.05** | **-** | **347.37** |
| **Charged/(Credited)** | | | | |
| -to Profit or loss | 42.20 | 1.22 | 983.49 | 1,026.91 |
| -to OCI | - | - | - | - |
| **At 31st March 2020** | **373.52** | **17.27** | **983.49** | **1,374.28** |

## NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| | Income received in advance-Advance Against Depreciation | 939.28 | 992.02 |
| | Deferred Income from Foreign Currency Fluctuation Account | 41.18 | 42.81 |
| | Grants in aid-from Government-Deferred Income **(Refer Note 19.1)** | 2,116.82 | 2,164.64 |
| | **TOTAL** | **3,097.28** | **3,199.47** |
| **19.1** | **GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME** | | |
| | **Opening Balance (Current and Non Current)** | 2,278.41 | 2,014.66 |
| | Add: Received during the year | 44.93 | 362.21 |
| | Less: Transferred to Statement of Profit and Loss (Refer Note 24.2) | 96.04 | 98.46 |
| | **Closing Balance (Current and Non Current) (Refer Note 19.1.1)** | **2,227.30** | **2,278.41** |
| | Grants in Aid-from Government-Deferred Income (Current)- (Refer Note No-21) | 110.48 | 113.77 |
| | Grants in Aid-from Government-Deferred Income (Non-Current) | 2,116.82 | 2,164.64 |
| **19.1.1** | **Grant includes:-** | | |
| (i) | Fair valuation of Subordinate Debts received from Government of India for Chutak Power Station, Nimmoo Bazgo Power Station and Kishanganga Power Station accounted as Grant In Aid. | 1,167.32 | 1,163.35 |
| (ii) | Funds (Grant in Aid) received from Government of India through Solar Energy Corporation of India (SECI) for setting up 50 MW Solar Power Project in Tamilnadu and Fund (Grant in Aid) received from Government of India for setting up rooftop Solar Power Plant. | 23.20 | 24.26 |
| (iii) | Grant received from Government of Madhya Pradesh for Indira Sagar & Omkareshwar Power Stations. | 1,023.28 | 1,077.79 |
| (iv) | Funds (Grant in Aid) received from Govt. of Uttar Pradesh for setting up Solar Power Project in the state including interest accrued thereon. | 13.50 | 13.01 |

## NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in Crore)

| | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A** | **Others Loan** | | |
| | From Banks-Secured (Refer Note 20.1.1) | 726.03 | 714.31 |
| | **TOTAL** | **726.03** | **714.31** |

**20.1.1** Secured loan from Bank amounting to ₹ 726.03 Crore (Previous year ₹ 714.31 Crore ) is towards amount payable to the banks by the beneficiaries on account of bills discounted with recourse against trade receivables. Refer Note 7.5 on continuing recognition of trade receivables liquidated by way of bill discounting.

## NOTE NO. 20.2 TRADE PAYABLE - CURRENT

(₹ in Crore)

| PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Total outstanding dues of micro enterprise and small enterprise(s) **(Refer Note 20.2.1)** | 36.19 | 22.96 |
| Total outstanding dues of Creditors other than micro enterprises and small enterprises | 177.19 | 293.70 |
| **TOTAL** | **213.38** | **316.66** |

**20.2.1** Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of Balances.

## NOTE NO. 20.3 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Crore)

| PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Current maturities of long term debt (Refer Note 20.3.1)** | | |
| - Bonds | 1,102.80 | 1,102.80 |
| - Term Loan -Banks-Secured | - | 10.00 |
| - Term Loan -Financial Institutions-Secured | 158.00 | 366.33 |
| - Unsecured-From Government (Subordinate Debts) | 23.11 | 23.11 |
| - Other-Unsecured (in Foreign Currency) | 109.20 | 114.71 |
| Current maturities of Lease Obligations **(Refer Note 34(18))** | 2.83 | 3.34 |
| Liability against capital works/supplies other than micro and small enterprises | 432.01 | 409.91 |
| Liability against capital works/supplies-Micro and Small Enterprises | 12.97 | 10.56 |
| Interest accrued but not due on borrowings | 660.72 | 643.10 |
| Interest Payable on account of Bonds Fully Serviced by Government of India **(Refer Note- 16.2.1 & 11 (i))** | 4.49 | 4.48 |
| Earnest Money Deposit/ Retention Money | 328.13 | 107.46 |
| Unpaid dividend **(Refer Note 20.3.2)** | 23.47 | 22.64 |
| Unpaid interest **(Refer Note 20.3.2)** | 0.50 | 0.25 |
| Payable to Employees | 27.21 | 26.06 |
| Payable to Others | 88.03 | 78.71 |
| **TOTAL** | **2,973.47** | **2,923.46** |

**20.3.1** Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in **Note No-16.1.2**

**20.3.2** "Unpaid Dividend" and "Unpaid Interest" includes the amounts which have not been claimed by the investors/holders of the equity shares/bonds. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred. There is no amount due for payment to Investor Education and Protection Fund.

**20.3.3** Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of Balances.

## NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in Crore)

| PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Income received in advance (Advance against depreciation) | 52.60 | 52.60 |
| Deferred Income from Foreign Currency Fluctuation Account | 1.60 | 5.92 |
| Water Usage Charges Payable | 165.28 | 324.45 |
| Statutory dues payables | 167.14 | 116.15 |
| Contract Liablities-Deposit Works | 7.52 | 9.37 |
| Contract Liablities-Project Management/ Consultancy Work | 144.09 | 268.49 |
| Advance from Customers and Others | 32.99 | 11.69 |
| Grants in aid-from Government-Deferred Income **(Refer Note No-19.1)** | 110.48 | 113.77 |
| **TOTAL** | **681.70** | **902.44** |

**21.1** Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of Balances.

## NOTE NO. 22 PROVISIONS - CURRENT

(₹ in Crore)

| | PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **A.** | **PROVISION FOR EMPLOYEE BENEFITS** | | |
| **i)** | **Provision for Long term Benefits (Provided for on the basis of actuarial valuation)** | | |
| | As per last Balance Sheet | 2.38 | 2.20 |
| | Additions during the year | 0.51 | 0.72 |
| | Amount used during the year | 1.80 | 0.42 |
| | Amount reversed during the year | - | 0.12 |
| | **Closing Balance** | **1.09** | **2.38** |
| **ii)** | **Provision for Wage Revision** | | |
| | As per last Balance Sheet | 0.34 | 14.92 |
| | Additions during the year | - | 3.75 |
| | Amount used during the year | 0.12 | 18.33 |
| | **Closing Balance** | **0.22** | **0.34** |
| **iii)** | **Provision for Performance Related Pay/Incentive** | | |
| | As per last Balance Sheet | 418.08 | 279.25 |
| | Additions during the year | 294.89 | 288.25 |
| | Amount used during the year | 201.80 | 147.54 |
| | Amount reversed during the year | 0.83 | 1.88 |
| | **Closing Balance** | **510.34** | **418.08** |
| | **Less: Advance Paid (Refer Note No. 22.2)** | 111.86 | - |
| | **Provision for Performance Related Pay/Incentive net of advance** | **398.48** | **418.08** |
| **iv)** | **Provision for Superannuation / Pension Fund** | | |
| | As per last Balance Sheet | - | 0.10 |
| | Amount used during the year | - | 0.10 |
| | **Closing Balance** | **-** | **-** |
| **v)** | **Provision For Wage Revision - 3rd Pay Revision Committee** | | |
| | As per last Balance Sheet | - | 19.76 |
| | Additions during the year | - | 0.14 |
| | Amount used during the year | - | 16.00 |
| | Amount reversed during the year | - | 3.90 |
| | **Closing Balance** | **-** | **-** |
| **B.** | **OTHERS** | | |
| **i)** | **Provision For Tariff Adjustment** | | |
| | As per last Balance Sheet | 155.92 | 223.45 |
| | Additions during the year | 49.69 | 35.91 |
| | Amount used during the year | 3.53 | 103.44 |
| | Amount reversed during the year | - | |
| | **Closing Balance** | **202.08** | **155.92** |
| **ii)** | **Provision For Committed Capital Expenditure** | | |
| | As per last Balance Sheet | 157.48 | 163.97 |
| | Additions during the year | 15.48 | - |
| | Amount used during the year | 27.56 | 6.46 |
| | Amount reversed during the year | 0.17 | 0.03 |
| | Unwinding of discount | - | - |
| | **Closing Balance** | **145.23** | **157.48** |

| PARTICULARS | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| **iii)** | **Provision for Restoration expenses of Insured Assets** | | |
| | As per last Balance Sheet | 54.11 | 24.54 |
| | Additions during the year | 147.24 | 46.21 |
| | Amount used during the year | 49.12 | 15.66 |
| | Amount reversed during the year | 4.05 | 0.98 |
| | **Closing Balance** | **148.18** | **54.11** |
| **iv)** | **Provision For Livelihood Assistance** | | |
| | As per last Balance Sheet | 16.01 | 15.99 |
| | Additions during the year | 0.88 | 0.90 |
| | Amount used during the year | 0.87 | 0.93 |
| | Amount reversed during the year | - | - |
| | Unwinding of discount | 0.14 | 0.05 |
| | **Closing Balance** | **16.16** | **16.01** |
| **v)** | **Provision in respect of arbitration award/ court cases** | | |
| | As per last Balance Sheet | 369.83 | 373.22 |
| | Additions during the year | 2.55 | 0.59 |
| | Adjustment | 15.07 | - |
| | Amount used during the year | 2.43 | 3.33 |
| | Amount reversed during the year | 0.19 | 0.65 |
| | **Closing Balance** | **384.83** | **369.83** |
| **vi)** | **Provision - Others** | | |
| | As per last Balance Sheet | 268.79 | 416.99 |
| | Additions during the year | 84.19 | 39.68 |
| | Adjustment | (15.10) | - |
| | Amount used during the year | 4.15 | 185.82 |
| | Amount reversed during the year | 56.39 | 2.06 |
| | **Closing Balance** | **277.34** | **268.79** |
| | **TOTAL** | **1,573.61** | **1,442.94** |

**22.1** Information about Provisions is given in Note 34(22) of Consolidated Financial Statement.

**22.2** An amount of Rs. 111.86 Crore has been paid as ad-hoc advance against Performance Related Pay for FY 2019-20, pending MOU rating to be issued by Department of Public Enterprises.

## NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in Crore)

| PARTICULARS | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Current Tax Liability as per last Balance Sheet** | 793.71 | 705.07 |
| Additions during the year | 714.33 | 581.27 |
| Amount adjusted during the year | (791.14) | (705.07) |
| **Closing Balance of Current Tax Liablity (A)** | **716.90** | **581.27** |
| Less: Current Advance Tax including Tax Deducted at Source (B) | 681.88 | 619.64 |
| **Net Current Tax Liabilities (A-B)** | 35.02 | (38.37) |
| (Disclosed under **Note No-4)** | - | 38.37 |
| **TOTAL** | **35.02** | **-** |

## NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| | **Operating Revenue** | | |
| **A** | **SALES (Refer Note 24.1.1 and 24.1.3)** | | |
| | Sale of Power | 6,691.28 | 7,138.75 |
| | Advance Against Depreciation -Written back during the period | 52.73 | 48.38 |
| | Performance based Incentive | 1,058.62 | 1,090.23 |
| | **Sub-total (i)** | **7,802.63** | **8,277.36** |
| | **Less :** | | |
| | Sales adjustment on account of Foreign Exchange Rate Variation | 50.03 | 42.94 |
| | Tariff Adjustments (**Refer Note 24.1.2)** | 58.37 | 27.79 |
| | "Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)" | 34.73 | 25.56 |
| | Rebate to customers | 18.11 | 29.06 |
| | **Sub-total (ii)** | **161.24** | **125.35** |
| | **Sub - Total (A) = (i-ii)** | **7,641.39** | **8,152.01** |
| **B** | **Income from Finance Lease (Refer Note 34(18(B))** | 899.08 | 755.82 |
| **C** | **Income from Operating Lease (Refer Note 34(18(C))** | 712.00 | 666.57 |
| **D** | **Revenue From Project Management and Consultancy Works** | | |
| | Contract Income | 0.06 | - |
| | Revenue from Project management/ Consultancy works | 21.36 | 23.33 |
| | **Sub - Total (D)** | **21.42** | **23.33** |
| **E** | **Revenue from Power Trading** | | |
| | Sale of Power | 218.52 | 240.26 |
| | Trading Margin | - | 0.91 |
| | Less: Rebate to Customers | 2.04 | 1.70 |
| | **Sub - Total (E)** | **216.48** | **239.47** |
| | **Sub-Total-I (A+B+C+D+E)** | **9,490.37** | **9,837.20** |
| **F** | **OTHER OPERATING REVENUE** | | |
| | Income From Sale of Self Generated VERs/REC | 1.92 | 1.76 |
| | Income on account of generation based incentive (GBI) | 2.96 | 2.53 |
| | Interest from Beneficiary States - Revision of Tariff | 152.64 | 166.32 |
| | **Sub-Total-II** | **157.52** | **170.61** |
| | **TOTAL (I+II)** | **9,647.89** | **10,007.81** |
| **24.1.1** | Sale of Power includes :- | | |
| | (i) Amount recovered/recoverable directly from beneficiary towards deferred tax liability pertaining to the period upto 2009 and materialised during the year. | 116.00 | 258.22 |
| | (ii) Deemed generation as allowed by Central Electricity Regulatory Commission (CERC). | - | 72.56 |
| | (iii) Amount of earlier year sales pending finalisation of tariff. | 290.99 | 220.50 |
| | iv) Electricity Duty & Energy Development Cess recoverable from beneficiary and accordingly billed to the beneficiary: | | |
| | - Electricity Duty | 19.15 | 0.66 |
| | - Energy Development Cess | 63.33 | 61.44 |

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **24.1.2** | Tariff Adjustment:- Tariff regulation notified by Central Electricity Regulatory Commission (CERC) vide notification dated 21.02.2014 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, stated amount has been provided in the books during the year. | 58.37 | 27.79 |
| **24.1.3** | Amount of unbilled revenue included in Sales. | 920.40 | 2,099.47 |

## NOTE NO. 24.2 OTHER INCOME

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **A)** | **Interest Income** | | |
| | - Investments carried at FVTOCI- Non Taxable | 5.67 | 5.68 |
| | - Investments carried at FVTOCI- Taxable | 25.79 | 25.76 |
| | - Loan to Government of Arunachal Pradesh | 60.82 | 55.80 |
| | - Deposit Account | 134.72 | 175.96 |
| | - Employee's Loans and Advances (Net of Rebate) | 16.99 | 14.77 |
| | - Advance to contractors | 15.64 | 29.83 |
| | - Others | 17.14 | 20.64 |
| | **Non-Trade** | | |
| | - Dividend income -Others | - | 4.80 |
| **B)** | **Dividend Income** | | |
| | - Dividend - Others | 9.00 | - |
| **C)** | **Other Non Operating Income (Net of Expenses directly attributable to such income)** | | |
| | Late payment surcharge | 545.92 | 259.34 |
| | Income from Insurance Claim | 138.64 | 29.33 |
| | Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)** | 23.48 | 115.67 |
| | **Material Issued to contractor** | | |
| | (i) Sale on account of material issued to contractors | 89.42 | 32.17 |
| | (ii) Cost of material issued to contractors on recoverable basis | (174.89) | (37.63) |
| | (iii) Adjustment on account of material issued to contractor | 85.47 | 5.46 |
| | **Amortization of Grant in Aid** | 96.04 | 98.46 |
| | Exchange rate variation (Net) | 34.21 | - |
| | Mark to Market Gain on Derivative | - | 33.71 |
| | Others | 37.36 | 32.45 |
| | **Sub-total** | **1,161.42** | **902.20** |
| | Less: Transferred to Expenditure Attributable to Construction | 100.30 | 128.69 |
| | Less: Transferred to Advance/ Deposit from Client/Contractees and against Deposit Works | 3.48 | 3.99 |
| | Less: Transfer of other income to grant | 0.49 | 0.69 |
| | **TOTAL** | **1,057.15** | **768.83** |

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **24.2.1** | **Detail of Liabilities/Impairment Allowances/Provisions not required written back** | | |
| a) | Allowances for Bad & Doubtful Capital Advances | - | 0.11 |
| b) | Allowances for Obsolescence & Diminution in Value of Inventories | 0.08 | 0.35 |
| c) | Impairment Allowances for trade receivables | 3.95 | |
| d) | Allowances for Bad & Doubtful Deposits | 0.04 | - |
| e) | Allowances for doubtful recoverable | 1.51 | 3.34 |
| f) | Allowances for Doubtful Accrued Interest | - | 108.90 |
| g) | Allowances for project expenses awaiting write off sanction | 4.88 | - |
| h) | Allowances for losses pending investigation/awaiting write off / sanction | 3.01 | 0.16 |
| I) | Provision for Restoration expenses of Insured Assets | 3.97 | 0.98 |
| j) | Others | 6.04 | 1.83 |
| | **TOTAL** | **23.48** | **115.67** |

**24.2.2** Total includes ₹ 1.96 Crore (Previous year ₹ 43.54 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 1.96 Crore (Previous year ₹ 9.82 Crore) for the same has been recognised as per Ind AS 114-"Regulatory Deferral Accounts"

## NOTE NO. 25.1 PURCHASE OF POWER - TRADING

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Purchase of Power | 216.71 | 238.32 |
| Less : Rebate from Supplier | 4.34 | 4.19 |
| **TOTAL** | **212.37** | **234.13** |

## NOTE NO. 25.2 GENERATION EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Water Usage Charges | 835.02 | 882.93 |
| Consumption of stores and spare parts | 22.96 | 21.40 |
| **Sub-total** | **857.98** | **904.33** |
| Less: Transferred to Expenditure Attributable to Construction | 0.43 | - |
| **Total** | **857.55** | **904.33** |

## NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Salaries and Wages | 1,521.73 | 1,641.01 |
| Contribution to provident and other funds | 222.30 | 212.85 |
| Staff welfare expenses | 78.83 | 90.21 |
| **Sub-total** | **1,822.86** | **1,944.07** |
| Less: Transferred to Expenditure Attributable to Construction | 282.46 | 267.98 |
| **Total** | **1,540.40** | **1,676.09** |

**26.1** Disclosure about leases towards residential accomodation for employees are given in Note 34 (18) (A).

| **26.2** | **Contribution to provident and other funds include contributions:** | **For the Year ended 31st March, 2021** | **For the Year ended 31st March, 2020** |
|---|---|---|---|
| | i) towards Employees Provident Fund | 91.34 | 95.31 |
| | ii) towards Employees Defined Contribution Superannuation Scheme | 114.06 | 96.66 |
| **26.3** | Salary and wages includes expenditure on short term leases as per IND AS-116 "Leases". (Refer Note 34(18A)) | 1.13 | 1.76 |

**26.4** Total includes ₹ 15.35 Crore (Previous year ₹ 35.60 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 15.35 Crore (Previous year ₹ 35.60 Crore) for the same has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

## NOTE NO. 27 FINANCE COSTS

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **A** | **Interest on Financial Liabilities at Amortized Cost** | | |
| | Bonds | 1,285.14 | 1,101.23 |
| | Term loan | 66.63 | 124.11 |
| | Foreign loan | 26.50 | 25.29 |
| | Government of India Loan | 70.64 | 69.71 |
| | Short Term loan | 2.13 | 15.93 |
| | Lease Liabilities | 1.35 | 1.33 |
| | Unwinding of discount-Government of India Loan | 49.69 | 42.83 |
| | **Sub-total** | **1,502.08** | **1,380.43** |
| **B** | **Other Borrowing Cost** | | |
| | Call spread/ Coupon Swap | 43.64 | 30.23 |
| | Bond issue/ service expenses | 1.93 | 1.28 |
| | Guarantee fee on foreign loan | 13.59 | 13.43 |
| | Other finance charges | 0.58 | 0.96 |
| | Unwinding of discount-Provision & Financial Liablities | 4.36 | 5.54 |
| | **Sub-total** | **64.10** | **51.44** |
| **C** | **Applicable net (gain)/ loss on Foreign currency transactions and translation** | | |
| | Exchange differences regarded as adjustment to interest cost | - | 143.79 |
| | Less: Transferred to Deferred Foreign Currency Fluctuation Assets | - | (120.23) |
| | **Sub-total** | **-** | **23.56** |
| **D** | **Interest on Income Tax** | 2.75 | 2.42 |
| | **TOTAL (A + B + C +D )** | **1,568.93** | **1,457.85** |
| | Less: transferred to Expenditure Attributable to Construction | 918.98 | 661.87 |
| | **TOTAL** | **649.95** | **795.98** |

**27.1** Total includes ₹ 78.10 Crore (Previous year ₹ 157.61 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 78.10 Crore (Previous year ₹ 157.61 Crore) for the same has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

## NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Depreciation -Property, Plant and Equipment | 1,231.80 | 1,558.69 |
| Depreciation-Right of use Assets | 82.32 | 85.04 |
| Amortization -Intangible Assets | 2.22 | 0.96 |
| Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 5(D )(ii) and 19)** | (1.40) | (0.36) |
| **Sub-total** | **1,314.94** | **1,644.33** |
| Less: Transferred to Expenditure Attributable to Construction | 16.64 | 30.29 |
| **TOTAL** | **1,298.30** | **1,614.04** |

**28.1** Total includes ₹ 1.47 Crore (Previous year ₹ 3.59 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 1.47 Crore (Previous year ₹ 3.59 Crore) for the same has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

## NOTE NO. 29 OTHER EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| **A. REPAIRS AND MAINTENANCE** | | |
| - Building | 70.90 | 72.50 |
| - Machinery | 65.97 | 75.82 |
| - Others | 183.80 | 177.07 |
| **B. OTHER EXPENSES** | | |
| Rent | 19.09 | 23.05 |
| Hire Charges | 29.41 | 30.37 |
| Rates and taxes | 97.77 | 77.64 |
| Insurance | 211.49 | 180.93 |
| Security expenses | 403.79 | 408.08 |
| Electricity Charges | 51.80 | 52.11 |
| Travelling and Conveyance | 9.81 | 29.70 |
| Expenses on vehicles | 6.31 | 6.93 |
| Telephone, telex and Postage | 15.44 | 18.16 |
| Advertisement and publicity | 4.73 | 8.15 |
| Entertainment and hospitality expenses | 1.14 | 0.62 |
| Printing and stationary | 4.71 | 5.35 |
| Consultancy charges | 14.21 | 16.17 |
| Audit expenses | 2.21 | 3.14 |
| Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses | 5.78 | 10.69 |
| Expenditure on land not belonging to company | 14.95 | 3.63 |
| Loss on Assets (Net) | 9.12 | 4.48 |
| Losses on Assets covered under insurance | 148.62 | 46.21 |
| Corporate Social Responsibility | 99.46 | 152.04 |
| Community Development Expenses | - | 0.13 |
| Directors' Sitting Fees | 0.06 | 0.20 |
| Interest on Arbitration/ Court Cases | 0.74 | 4.13 |

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| | Interest to beneficiary | 3.80 | 77.00 |
| | Expenditure on Self Generated VER's/REC | - | 0.10 |
| | Exchange rate variation (Net) | - | 49.75 |
| | Training Expenses | 4.21 | 8.72 |
| | Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/ IEX/PXIL | 13.13 | 11.23 |
| | Operational/Running Expenses of Kendriya Vidyalay | 6.98 | 6.19 |
| | Operational/Running Expenses of Other Schools | 0.51 | 0.56 |
| | Operational/Running Expenses of Guest House/Transit Hostel | 22.96 | 22.55 |
| | Operating Expenses of DG Set-Other than Residential | 6.83 | 7.94 |
| | Change in Fair Value of Derivatives | 15.50 | - |
| | Other general expenses | 32.00 | 33.13 |
| | **Sub-total** | **1,577.23** | **1,624.47** |
| | Less: Transferred to Expenditure Attributable to Construction | 172.23 | 81.67 |
| | **Sub-total (i)** | **1,405.00** | **1,542.80** |
| **C.** | **PROVISIONS/ IMPAIRMENT ALLOWANCE** | | |
| | Allowance for Bad and doubtful advances / deposits | 74.78 | - |
| | Allowance for Bad and doubtful recoverables | 0.03 | - |
| | Allowance for stores and spares/ Construction stores | 0.83 | 0.26 |
| | Allowance for Project expenses | 144.63 | 154.73 |
| | Allowance for losses pending investigations/ awaiting write off/ sanction | 0.21 | 0.28 |
| | Interest to Beneficiary **(Refer Note 29.2)** | 2.18 | 1.38 |
| | Allowances for Goods and Service Tax input receivables | 13.54 | - |
| | Others **(Refer Note 29.5)** | 62.64 | - |
| | **Sub-total** | **298.84** | **156.65** |
| | Less: Transferred to Expenditure Attributable to Construction | 13.62 | 0.06 |
| | **Sub-total (ii)** | **285.22** | **156.59** |
| | **TOTAL (i+ii)** | **1,690.22** | **1,699.39** |
| **29.1** | Disclosure about leases are given in Note 34(18A). | | |
| **29.2** | Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 21.02.2014, stated amount has been provided in the books during the year towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order. | 2.18 | 1.38 |
| **29.3** | Rent includes the following expenditure as per IND AS-116 "Leases". | | |
| | (i) Expenditure on short-term leases other than lease term of one month or less | 14.39 | 15.15 |
| | (ii) Expenditure on long term lease of low-value assets | 0.02 | 0.14 |
| | (iii) Variable lease payments not included in the measurement of lease liabilities | 4.67 | 9.27 |

**29.4** Total includes ₹ 6.10 Crore (Previous year ₹ 16.27 Crore) relating to Project under constructions where there was a temporary suspension of major construction activities as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 6.10 Crore (Previous year ₹ 16.27 Crore) for the same has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

**29.5** Provision in respect of Interest on Electricity Duty and Cess for the period 10.08.2011 to 24.04.2012, against claim by GoMP, acknowledged as debt by management.

## NOTE NO. 30.1 TAX EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| **Current Tax** | | |
| Provision for Current Tax | 926.00 | 877.36 |
| Adjustment Relating To Earlier periods | (0.13) | 20.38 |
| **Total current tax expenses** | **925.87** | **897.74** |
| **Deferred Tax** | | |
| **Decrease (increase) in deferred tax assets** | | |
| - Relating to origination and reversal of temporary differences | (47.70) | (44.68) |
| - Adjustments on account of MAT credit entitlement | (35.47) | (1,067.20) |
| **Increase (decrease) in deferred tax liabilities** | | |
| - Relating to origination and reversal of temporary differences | 34.51 | 20.91 |
| - Relating to undisributed Earnings | 23.77 | 113.83 |
| **Total deferred tax expenses (benefits)** | **(24.89)** | **(977.14)** |
| **Net Deferred Tax** | **(24.89)** | **(977.14)** |
| **Total** | **900.98** | **(79.40)** |

| | | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **30.1.1** | **Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.** | | |
| | Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance | 4,483.11 | 3,265.51 |
| | Applicable tax rate (%) | 34.9440 | 34.9440 |
| | **Computed tax expense** | **1,566.58** | **1,141.10** |
| | **Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.** | | |
| | Non Deductible Tax Expenses | 64.43 | 427.91 |
| | Tax Exempt Income | 97.15 | 18.78 |
| | Tax Incentives (80-IA Deductions) | (892.52) | (933.27) |
| | Adjustment for current tax of earlier periods | - | (0.75) |
| | Minimum Alternate Tax Adjustments | 143.84 | (847.00) |
| | Undistributed Profit | 23.77 | 113.83 |
| | Deduction U/S 80M | (102.27) | - |
| | **Income tax expense reported in Statement of Profit and Loss** | **900.98** | **(79.40)** |
| **30.1.2** | **Amounts recognised directly in Equity** | | |
| | Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity | | |
| | Current Tax | Nil | Nil |
| | Deferred tax | Nil | Nil |
| | **Total** | **Nil** | **Nil** |
| **30.1.3** | **Tax losses and credits** | | |
| | (i) Unused tax losses for which no deferred tax asset has been recognised | Nil | Nil |
| | Potential tax benefit @ 30% | Nil | Nil |
| | (ii) The details of MAT Credit available to the Company in future but not recognised in the books of account **(Refer Note 30.1.5)** | 2,382.61 | 2,196.82 |

| 30.1.4 | Unrecognised temporary differences | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| | Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised. | | |
| | Undistributed Earnings | Nil | Nil |
| | Unrecognised deferred tax liabilities relating to the above temporary differences | Nil | Nil |

**30.1.5** The details of Minimum Alternate Tax (MAT) Credit available to the Company in future but not recognised in the books of account is given below:-

(₹ in Crore)

| Financial Years | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Amount | Year of Expiry | Amount | Year of Expiry |
| 2020-21 | 183.10 | 2035-36 | - | - |
| 2019-20 | 158.70 | 2034-35 | 156.01 | 2034-35 |
| 2018-19 | 696.15 | 2033-34 | 696.15 | 2033-34 |
| 2017-18 | 210.11 | 2032-33 | 210.11 | 2032-33 |
| 2016-17 | 11.59 | 2031-32 | 11.59 | 2031-32 |
| 2015-16 | 177.01 | 2030-31 | 177.01 | 2030-31 |
| 2014-15 | 46.81 | 2029-30 | 46.81 | 2029-30 |
| 2013-14 | 481.84 | 2028-29 | 481.84 | 2028-29 |
| 2012-13 | 291.71 | 2027-28 | 291.71 | 2027-28 |
| 2008-09 | 125.59 | 2023-24 | 125.59 | 2023-24 |
| **TOTAL** | **2,382.61** | | **2,196.82** | |

Deferred tax assets in respect of aforesaid MAT credit available to Group in future has not been recognised considering its uncertainty of reversal in foreseeable future.

## NOTE NO. 30.2 OTHER COMPREHENSIVE INCOME

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| **(i) Items that will not be reclassified to profit or loss** | | |
| (a) Remeasurement of the post employment defined benefit obligations | (61.60) | 55.78 |
| Less: Income Tax on remeasurement of the post employment defined benefit obligations | (21.52) | 19.49 |
| **Remeasurement of the post employment defined benefit obligations (net of Tax)** | **(40.08)** | **36.29** |
| Less:-Movement in Regulatory Deferral Account Balances in respect of Tax on defined benefit obligations | 2.75 | 8.80 |
| **Sub total** | **(42.83)** | **27.49** |
| **Share of Other comprehensive Income of Joint Ventures accounted for using the equity method** | **-** | **(0.01)** |
| **Sub total (a)** | **(42.83)** | **27.48** |
| (b) Investment in Equity Instruments | 47.13 | (42.09) |
| **Sub total (b)** | **47.13** | **(42.09)** |
| **Total (i)=(a)+(b)** | **4.30** | **(14.61)** |

| PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| (ii) Items that will be reclassified to profit or loss | | |
| Investment in Debt Instruments | 4.21 | 15.77 |
| Less: Income Tax on investment in Debt Instruments | 0.98 | 3.67 |
| **Total (ii)** | **3.23** | **12.10** |
| **Total =(i+ii)** | **7.53** | **(2.51)** |

## NOTE NO. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in Crore)

| | | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|---|
| | | **Movement in Regulatory Deferral Account Balances on account of:-** | | |
| **(i)** | | Subansiri Lower Project:- | | |
| | a) | Employee Benefits Expense | - | 35.60 |
| | b) | Other Expenses | - | 16.27 |
| | c) | Depreciation and Amortization Expense | - | 3.59 |
| | d) | Finance Costs | - | 157.61 |
| | e) | Other Income | - | (9.82) |
| | | **Sub Total (i)** | **-** | **203.25** |
| **(ii)** | | Kishanganga Power Station:-Depreciation due to moderation of Tariff | 195.51 | 195.62 |
| **(iii)** | | Exchange Differences on Monetary Items | 1.70 | 0.99 |
| **(iv)** | | Adjustment against Deferred Tax Recoverable for tariff period upto 2009 | (75.46) | (167.99) |
| **(v)** | | Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards. | 6.28 | 2.05 |
| **(vi)** | | Movement in Regulatory Deferral Account Balances on account of Borrowings and Other Costs incurred during Covid-19 Lock Down Period: | | |
| | a) | Employee Benefits Expense | 15.35 | - |
| | b) | Other Expenses | 6.10 | - |
| | c) | Depreciation and Amortization Expense | 1.47 | - |
| | d) | Finance Costs | 78.10 | - |
| | e) | Other Income | (1.96) | - |
| | | **Sub Total (vi)** | **99.06** | **-** |
| **(vii)** | | Minimum Alternate Tax Credit Entitlement | (9.74) | (824.13) |
| | | **TOTAL A=(i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii)** | **217.35** | **(590.21)** |
| | | **Impact of Tax on Regulatory Deferral Accounts** | | |
| | | Less: Deferred Tax on Regulatory Deferral Account Balances | 24.18 | 19.65 |
| | | Add: Deferred Tax recoverable from Beneficiaries | 24.18 | 19.65 |
| | | **TOTAL (B)** | **-** | **-** |
| | | **TOTAL (A-B)** | **217.35** | **(590.21)** |

Refer Note 14 of Consolidated Financial Statements.

## NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| **A.** | **GENERATION EXPENSES** | | |
| | Consumption of stores and spare parts | 0.43 | - |
| | **Sub-total** | **0.43** | **-** |
| **B.** | **EMPLOYEE BENEFITS EXPENSE** | | |
| | Salaries and Wages | 148.73 | 130.23 |
| | Contribution to provident and other funds | 20.97 | 17.34 |
| | Staff welfare expenses | 6.50 | 5.47 |
| | **Sub-total** | **176.20** | **153.04** |
| **C.** | **FINANCE COSTS** | | |
| | Interest on : **(Refer Note 2.2.1)** | | |
| | Bonds | 844.18 | 564.44 |
| | Foreign loan | 6.14 | 3.56 |
| | Term loan | 27.77 | 55.59 |
| | **Sub-total** | **878.09** | **623.59** |
| | Exchange differences regarded as adjustment to interest cost | - | 14.15 |
| | Loss on Hedging Transactions | 38.24 | 22.01 |
| | Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest | 1.47 | 1.81 |
| | Transfer of expenses to EAC- Interest on FC Loans - Effective Interest Adjustment | 0.89 | 0.09 |
| | **Sub-total** | **40.60** | **38.06** |
| **D.** | **DEPRECIATION AND AMORTISATION EXPENSES** | 14.49 | 28.07 |
| | **Sub-total** | **14.49** | **28.07** |
| **E.** | **OTHER EXPENSES** | | |
| | Repairs And Maintenance : | | |
| | -Building | 8.14 | 6.72 |
| | -Machinery | 0.97 | 0.91 |
| | -Others | 9.75 | 7.68 |
| | Rent & Hire Charges | 8.58 | 9.65 |
| | Rates and taxes | 2.28 | 2.37 |
| | Insurance | 9.20 | 2.59 |
| | Security expenses | 26.45 | 20.15 |
| | Electricity Charges | 4.41 | 3.96 |
| | Travelling and Conveyance | 1.55 | 2.81 |
| | Expenses on vehicles | 0.80 | 0.74 |
| | Telephone, telex and Postage | 1.72 | 1.64 |
| | Advertisement and publicity | - | 0.01 |
| | Printing and stationery | 0.46 | 0.31 |
| | Consultancy charges | 6.21 | 3.20 |
| | Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses | 0.37 | 0.20 |
| | Expenditure on land not belonging to company | 0.03 | 0.73 |
| | Assets/ Recoverable written off | 76.00 | - |

| | PARTICULARS | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|---|
| | Other general expenses | 6.93 | 6.77 |
| | Remuneration to Auditors | - | 0.06 |
| | Exchange rate variation (Debit) | - | 0.26 |
| | **Sub-total** | **163.85** | **70.76** |
| **F.** | **PROVISIONS** | 13.62 | 0.06 |
| | **Sub-total** | **13.62** | **0.06** |
| **G.** | **CORPORATE OFFICE/REGIONAL OFFICE EXPENSES** | | |
| | Other Income | (0.44) | (1.06) |
| | Other Expenses | 8.39 | 10.91 |
| | Employee Benefits Expense | 106.26 | 114.94 |
| | Depreciation and Amortization Expenses | 2.14 | 2.22 |
| | Finance Costs | 0.29 | 0.22 |
| | **Sub-total** | **116.64** | **127.23** |
| **H.** | **LESS: RECEIPTS AND RECOVERIES** | | |
| | Income from generation of electricity – precommissioning | 34.73 | 25.56 |
| | Interest on loans and advances | 13.95 | 15.92 |
| | Profit on sale of assets | 0.03 | 0.05 |
| | Exchange rate variation (Credit) | - | 0.66 |
| | Provision/Liability not required written back | 1.67 | 110.45 |
| | Miscellaneous receipts | 84.20 | 0.55 |
| | **Sub-total** | **134.58** | **153.19** |
| | **TOTAL (A+B+C+D+E+F+G-H) (Refer Note 2.2)** | **1,269.34** | **887.62** |

## Note-33: Disclosure on Financial Instruments and Risk Management

**(1) Fair Value Measurement**

**A) Financial Instruments by category**

(₹ in Crore)

| Financial assets | Notes | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| **Non-current Financial assets** | | | | | | | |
| (i) Non-current investments | | | | | | | |
| a) In Equity Instrument (Quoted) | 3.1 | | 93.30 | - | | 46.57 | - |
| b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted" | 3.1 | | 422.05 | - | | 417.56 | - |
| **Sub-total** | | | **515.35** | **-** | | **464.13** | **-** |
| (ii) Loans | | | | | | | |
| a) Deposits | 3.2 | | | 25.14 | | | 24.55 |
| (b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) | | | | 18.40 | | | - |
| c) Employees | 3.2 | | | 189.14 | | | 120.46 |
| d) Loan to Government of Arunachal Pradesh (Including interest accrued) | 3.2 | | | 736.62 | | | 675.80 |
| (iii) Others | | | | | | | |
| -Lease Receivables including interest | 3.3 | | | 6,248.71 | | | 5,111.73 |
| -Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | | | 2,017.20 | | | 2,017.20 |
| Share Application Money Pending Allotment:- Chenab Valley Power Projects Private Limited (Joint Venture Company) (Pending Allotment)" | 3.3 | | | 100.15 | | | - |
| - Derivative MTM Asset | 3.3 | 18.21 | | | 33.71 | | |
| - Others inluding Bank Deposits with more than 12 Months Maturity (Including interest accrued)" | 3.3 | | | 573.91 | | | 404.63 |
| **Total Non-current Financial assets** | | **18.21** | **515.35** | **9,909.27** | **33.71** | **464.13** | **8,354.37** |
| **Current Financial assets** | | | | | | | |
| (i) Trade Receivables | 7 | | | 3,409.88 | | | 3,583.22 |
| (ii) Cash and cash equivalents | 8 | | | 447.27 | | | 42.17 |

| Financial assets | Notes | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| (iii) Bank balances other than Cash and Cash Equivalents | 9 | | | 1,809.55 | | | 1,651.10 |
| (iv) Loans | 10 | | | | | | |
| - Employee Loans | | | | 52.09 | | | 44.26 |
| - Loans to Joint Venture (National High Power Test Laboratory (P) Limited)" | | | | 0.42 | | | 6.27 |
| - Deposits | | | | 0.36 | | | 0.48 |
| (v) others (Excluding Lease Receivables) | 11 | | | 2,774.11 | | | 3,417.67 |
| (vi) others (Lease Receivables including interest) | 11 | | | 166.84 | | | 117.50 |
| **Total Current Financial Assets** | | | - | **8,660.52** | | - | **8,862.67** |
| **Total Financial Assets** | | **18.21** | **515.35** | **18,569.79** | | **464.13** | **17,217.04** |

| Financial Liabilities | Notes | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| (i) Long-term borrowings | 16.1 | | | 21,230.99 | | | 20,878.66 |
| (ii) Long term maturities of lease obligations | 16.1 | | | 12.28 | | | 13.14 |
| (iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.2 | | | 2,055.25 | | | 2,060.29 |
| (iv) Borrowing -Short Term | 20.1 | | | 726.03 | | | 714.31 |
| (v) Trade Payables including Micro, Small and Medium Enterprises | 20.2 | | | 213.38 | | | 316.66 |
| (vi) Other Current financial liabilities | | | | | | | |
| a) Current maturities of long term borrowings | 20.3 | | | 1,393.11 | | | 1,616.95 |
| b) Current maturities of lease obligations | 20.3 | | | 2.83 | | | 3.34 |
| c) Interest Accrued but not due on borrowings | 20.3 | | | 660.72 | | | 643.10 |
| d) Other Current Liabilities | 20.3 | | | 916.81 | | | 660.07 |
| **Total Financial Liabilities** | | | | **27,211.40** | | | **26,906.52** |

## B) FAIR VALUATION MEASUREMENT

### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels prescribed under Ind AS-113 "Fair Value Measurements"

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date.

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

**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 includes derivative MTM assets/liabilities, security deposits/retention money and loans at below market rates of interest.

**(a) Financial Assets/Liabilities Measured at Fair Value-Recurring Fair Value Measurement:**

(₹ in Crore)

| PARTICULARS | Note No. | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Assets at FVTOCI** | | | | | | | |
| **(i) Investments-** | | | | | | | |
| - In Equity Instrument (Quoted) | 3.1 | 93.30 | | | 46.57 | | |
| - In Debt Instruments (Government/ Public Sector Undertaking)- Quoted * | 3.1 | 422.05 | | | 417.56 | | |
| **Financial Assets at FVTPL :** | | | | | | | |
| (i) Derivative MTM Asset (Call spread option and Coupon only swap) | | | 18.21 | - | | 33.71 | - |
| **Total** | | **515.35** | **18.21** | **-** | **464.13** | **33.71** | **-** |

**Note:**

* In the absence of latest quoted market rates in respect of these instruments, rates have been derived as per Fixed Income Money Market and Derivatives Association of India (FIMMDA).

All other financial assets and financial liabilities have been measured at amortised cost at balance sheet date and classified as non-recurring fair value measurement.

**(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:**

(₹ in Crore)

| PARTICULARS | Note No. | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| **(i) Loans** | | | | | | | |
| a) Employees | 3.2 | | 240.74 | | | 137.35 | |
| b) Loan to Joint Venture (National High Power Text Laboratory (P) Limited) | 3.2 | | 18.40 | | | | |

| PARTICULARS | Note No. | As at 31st March, 2021 | | | As as 31st March, 2020 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| c) Loan to Government of Arunachal Pradesh (including Interest Accrued) | 3.2 | | 736.62 | | | 675.80 | |
| d) Deposits | 3.2 | | | 25.14 | | | 24.55 |
| **(ii) Others** | | | | | | | |
| -Bank Deposits with more than 12 Months Maturity (Including Interest accrued) | 3.3 | | 573.91 | | | 404.63 | |
| -Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | 2,017.20 | | | 2,017.20 | | |
| **Total Financial Assets** | | **2,017.20** | **1,569.67** | **25.14** | **2,017.20** | **1,217.78** | **24.55** |
| **Financial Liabilities** | | | | | | | |
| (i) Long-term borrowings including current maturities and accrued interest | 16.1 & 20.3 | 19,083.09 | 2,207.18 | 2,881.38 | 16,161.49 | 3,444.70 | 2,654.45 |
| (ii) Long term & Short term maturities of lease obligations | 16.1 & 20.3 | - | - | 15.11 | - | - | 16.48 |
| (iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.2 | 2,017.20 | | 43.03 | 2,017.20 | | 48.04 |
| **Total Financial Liabilities** | | **21,100.29** | **2,207.18** | **2,939.52** | **18,178.69** | **3,444.70** | **2,718.97** |

**(c) Fair value of Financial Assets and liabilities measured at Amortised Cost**

(₹ in Crore)

| Particulars | Note No. | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial assets** | | | | | |
| (i) Loans | | | | | |
| a) Employees | 3.2 | 189.14 | 240.74 | 120.46 | 137.35 |
| b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) | 3.2 | 18.40 | 18.40 | - | - |
| c) Loan to Government of Arunachal Pradesh (including Interest Accrued) | 3.2 | 736.62 | 736.62 | 675.80 | 675.80 |
| d) Deposits | 3.2 | 25.14 | 25.14 | 24.55 | 24.55 |
| **(ii) Others** | | | | | |
| -Bank Deposits with more than 12 Months Maturity (Including Interest accrued)" | 3.3 | 573.91 | 573.91 | 404.63 | 404.63 |
| -Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | 2,017.20 | 2,017.20 | 2,017.20 | 2,017.20 |
| **Total Financial Assets** | | **3,560.41** | **3,612.01** | **3,242.64** | **3,259.53** |

| Particulars | Note No. | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial Liabilities** | | | | | |
| (i) Long-term borrowings including Current maturities and accrued interest | 16.1 & 20.3 | 23,284.82 | 24,171.65 | 23,138.71 | 22,260.65 |
| (ii) Long term & Short term maturities of lease obligations | 16.1 & 20.3 | 15.11 | 15.11 | 16.48 | 16.48 |
| (iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.2 | 2,055.25 | 2,060.23 | 2,060.29 | 2,065.24 |
| **Total Financial Liabilities** | | **25,355.18** | **26,246.99** | **25,215.48** | **24,342.37** |

**Note:-**

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents,Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

**(d) Valuation techniques and process used to determine fair values**

(1) The Group values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

- Use of Quoted market price or dealer quotes for similar instruments.
- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

(2) The discount rate used to fair value financial instruments classified at Level-3 is based on the Weighted Average Rate of Group's outstanding borrowings except subordinate debts and foreign currency borrowings..

(3) Financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method where such transaction costs incurred on long term borrowings are material.

**(2) Financial Risk Management**

**(A) Financial risk factors**

**The Group's activities expose it to a variety of financial risks:**

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash & Cash equivalents, Other Bank Balances ,Trade receivables and financial assets measured at amortised cost, Lease Receivable. | Aging analysis, credit rating. | Diversification of bank deposits, letter of credit for selected customers. |
| Liquidity Risk | Borrowings and other facilities. | Rolling cash flow forecasts & Budgets | Availability of committed credit lines and borrowing facilities. |
| Market Risk-Interest rate | Long term borrowings at variable rates | Sensitivity Analysis | 1. Diversification of fixed rate and floating rates<br>2. Refinancing<br>3. Actual Interest is recovered through tariff as per CERC Regulation |
| Market Risk-security prices | Investment in equity and debt securities | Sensitivity Analysis | Portfolio diversification |
| Market Risk-foreign exchange | Recognised financial liabilities not denominated in INR. | Sensitivity Analysis | Foreign exchange rate variation is recovered through tariff as per CERC Regulation.<br>Call spread option and coupon only swap |

**Risk management framework**

The Group's activities make it susceptible to various risks. The Group has taken adequate measures to address such concerns by developing adequate systems and practices. Group has a well-defined risk management policy to provide overall framework for the risk management in the Group. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

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

**i) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

**ii) Liquidity risk.**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

**iii) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group operates in a regulated environment. Tariff of the Group is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components:

1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the Group.

**(B) Credit Risk**

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**Trade Receivables, unbilled revenue & lease receivables :-**

The Group extends credit to customers in normal course of business. The Group monitors the payment track record of the customers. Outstanding receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets. Unbilled revenue primarily relates to the Group's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as trade receivables for the same type of contracts.

Lease receivables of the Group are with regard to Power Purchase Agreements classified as finance lease as per Ind AS 116- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

**Financial assets at amortised cost :-**

**Employee Loans:** The Group has given loans to employees at concessional rates as per Group's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

**Loans to Government of Arunanchal Pradesh :** The Group has given loan to Government of Arunachal Pradesh at 9% rate of interest as per the terms and conditions of Memorandum of understanding signed between the Group and Government of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost. The loan is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

**Financial instruments and cash deposits :-**

The Group considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Group has also availed borrowings. The Group invests surplus cash in short term deposits with scheduled banks. The Group has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank.

**(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 as under:

(₹ in Crore)

| PARTICULARS | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)** | | |
| Non-current investments (Other than Subsidiaries and Joint Ventures) | 515.35 | 464.13 |
| Loans-Non Current (including interest) | 969.30 | 820.81 |
| Other Non Current Financial Assets | 2,591.11 | 2,421.83 |
| Cash and cash equivalents | 447.27 | 42.17 |
| Bank balances other than Cash and Cash Equivalents | 1,809.55 | 1,651.10 |
| Loans -Current | 52.87 | 51.01 |
| Other Financial Assets (Excluding Lease Receivables) | 2,774.11 | 3,417.67 |
| **Total (A)** | **9,159.56** | **8,868.72** |
| **Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)** | | |
| Trade Receivables | 3,409.88 | 3,583.22 |
| Lease Receivables (Including Interest) | 6,415.55 | 5,229.23 |
| **Total (B)** | **9,825.43** | **8,812.45** |
| **TOTAL (A+B)** | **18,984.99** | **17,681.17** |

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

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

The Group assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

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

A default in recovery of financial assets occurs when in view of the management there is no significant possibility of recovery of receivables after considering all available options for recovery. As the power stations and beneficiaries of the Group are spread over various states of India, geographically there is no concentration of credit risk.

The Group primarily sells electricity to bulk customers comprising mainly of state utilities owned by State Governments. The Group has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA) 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. As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Group 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 Central Plan Assistance of the State and paid to the concerned CPSU. There is also provision of regulation of power by the Group in case of non payment of dues and non-establishment of LC.

CERC Tariff Regulations 2019-24 allow the Group to raise bills on beneficiaries for late-payment surcharge. which adequately compensates the Group for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Group assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date Group does not envisage any default risk on account of non-realisation of trade receivables.

**(iii) Reconciliation of impairment loss provisions**

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

(₹ in Crore)

| | Trade Receivables | Amount Recoverable | Loans | Total |
|---|---|---|---|---|
| **Balance as at 1.4.2019** | **37.71** | **203.43** | **0.01** | **241.15** |
| Changes in Loss Allowances | - | 82.35 | - | 82.35 |
| **Balance as at 1.4.2020** | **37.71** | **285.78** | **0.01** | **323.50** |
| Changes in Loss Allowances | (3.95) | (10.60) | - | (14.55) |
| **Balance as at 31.3.2021** | **33.76** | **275.18** | **0.01** | **308.95** |

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

**(C) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

**i)** The Group's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Group relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

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

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| At Floating Rate | 475.00 | 925.00 |
| **Total** | **475.00** | **925.00** |

**ii) Maturities of Financial Liabilities:**

The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 1 year is equal to their carrying balances as the impact of discounting is not significant.

**As at 31st March, 2021** (₹ in Crore)

| CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES | Note No. | Outstanding Debt as on 31.3.2021 | Within 1 Year | More than 1 Year & Less than 3 Years | More than 3 Years & Less than 5 Years | More than 5 Years |
|---|---|---|---|---|---|---|
| Borrowings | 16.1, 20.1 & 20.3 | 24,423.60 | 2,119.14 | 3,161.38 | 4,160.14 | 14,982.94 |
| Lease obligations | 16.1 & 20.3 | 26.99 | 4.91 | 4.30 | 1.87 | 15.91 |
| Other financial Liabilities | 16.2 & 20.3 | 3,646.52 | 1,573.84 | 12.25 | 7.44 | 2,052.99 |
| Trade Payables | 20.2 | 213.38 | 213.38 | - | - | - |
| **Total Financial Liabilities** | | **28,310.49** | **3,911.27** | **3,177.93** | **4,169.45** | **17,051.84** |

**As at 31st March, 2020** (₹ in Crore)

| CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES | Note No. | Outstanding Debt as on 31.3.2020 | Within 1 Year | More than 1 Year & Less than 3 Years | More than 3 Years & Less than 5 Years | More than 5 Years |
|---|---|---|---|---|---|---|
| Borrowings | 16.1, 20.1 & 20.3 | 24,262.41 | 2,331.26 | 2,963.68 | 3,782.02 | 15,185.45 |
| Lease obligations | 16.1 & 20.3 | 28.17 | 3.34 | 5.89 | 3.70 | 15.25 |
| Other financial Liabilities | 16.2 & 20.3 | 3,396.44 | 1,319.98 | 11.99 | 6.97 | 2,057.50 |
| Trade Payables | 20.2 | 316.66 | 316.66 | - | - | - |
| **Total Financial Liabilities** | | **28,003.68** | **3,971.24** | **2,981.56** | **3,792.69** | **17,258.20** |

**(D) Market Risk:**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Group's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

**(i) Interest rate risk and sensitivity**

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. Group's policy is to maintain most of its borrowings at fixed rate. Group's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the Group refinance these debts as and when favourable terms are available. The Group is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

| PARTICULARS | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | weighted average interest rate (%) | (₹ in Crore) | weighted average interest rate (%) | (₹ in Crore) |
| Floating Rate Borrowings (INR) | | | 8.00 | 500.00 |
| Fixed Rate Borrowings (INR) | 7.89 | 20,934.19 | 8.07 | 20,106.61 |
| Fixed Rate Borrowings (FC) | 1.41 | 1,689.92 | 1.47 | 1,889.00 |
| **Total** | | **22,624.11** | | **22,495.61** |

**Interest Rate Sensitivity Analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The majority of the borrowings of the Group are at fixed interest rate. In case of floating rate borrowings there is no impact on Statement of Profit and Loss of the Group due to increase/decrese in interest rates, as the same is recoverable from beneficiaries through tariff.

**(ii) Price Risk:**

**(a) Exposure**

The Group's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Group's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Group's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

**(b) Price Risk Sensitivity**

**For Investment in Equity Instruments (Investment in equity shares of IOB and PTC )**

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the Group's equity for the year:

| PARTICULARS | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| Investment in Equity shares of : | % change | Impact on other components of equity (₹ in Crore) | % change | Impact on other components of equity (₹ in Crore) |
| PTC India Ltd | 1.54 | 1.43 | 24.11 | 11.21 |
| Indian Overseas Bank | - | - | 22.83 | 0.06 |

Sensitivity has been worked out based on the previous 3 years average of six monthly fluctuations in the share price as quoted on the National Stock Exchange (NSE).

**For Investment in Debt Instruments (Investments in Government and Public Sector Undertaking Bonds)**

The table below summarises the impact of increase/decrease of the market value of the debt instruments on Group's equity for the year:

| PARTICULARS | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| Investment in Equity shares of : | % change | Impact on other components of equity (₹ in Crore) | % change | Impact on other components of equity (₹ in Crore) |
| Government Securities | 1.11 | 3.77 | 1.34 | 4.56 |
| Public Sector Undertaking Tax Free Bonds | 2.14 | 1.88 | 1.56 | 1.29 |

**(iii) Foreign Currency Risk**

The Group is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

**(a) Foreign Currency Exposure:**

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

(₹ in Crore)

| PARTICULARS | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Financial Liabilities:** | | |
| Foreign Currency Loans | | |
| Japan International Corporation LTD ( JPY) | 968.62 | 1,132.22 |
| MUFG BANK ( JPY) | 721.30 | 756.77 |
| Other Financial Liabilities | 48.91 | 56.78 |
| **Net Exposure to foreign currency (liabilities)** | **1,738.83** | **1,945.77** |

Out of the above, loan from MUFG bank is hedged by derivative instrument. For balance exposure gain/(loss) on account of exchange variation is recoverable from beneficiaries as per Tariff Regulation 2019-24. Therefore, currency risk in respect of such exposure would not be very significant.

**(b) Sensitivity Analysis**

There is no impact of foreign currency fluctuations on the profit of the Group as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation, therefore sensitivity analysis for currency risk is not disclosed.

## (3) Capital Management

### (a) Capital Risk Management

The primary objective of the Group's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the Group manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Group monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

**Statement of Gearing Ratio**

| PARTICULARS | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| (a) Total Debt (₹ in Crore) | 24,656.41 | 24,529.29 |
| (b) Total Equity Attributable to Owners of the Company (₹ in Crore) | 33,090.29 | 31,380.92 |
| Gearing Ratio (a/b) | 0.75 | 0.78 |

**Note:** For the purpose of the Group's capital management, capital includes issued capital and reserves. Net debt includes interest bearing loans and borrowings.

### (b) Loan Covenants:

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

1. Group shall maintain credit rating AAA and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating.
2. Debt to net worth should not exceed 2:1.
3. Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non Cash Expenditures+Interest Payable-Non Cash Income)/Interest Payable))
4. The gross Debt Service Coverage Ratio of the Company will no time be less than 1.25 during the currency of loan.
5. The Government of India holding in the Company not to fall below 51%.
6. First Charge on Assets with 1:1.33 coverage on pari paasu basis.

During the year the company has complied with the above loan covenants.

### (c) Dividends:

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **(i) Equity Shares** | | |
| Final dividend for the year 2019-20 of INR 0.32 per fully paid share approved in Sep-2020 paid in Oct-2020. (31st March 2019- INR 0.75 fully paid share for FY 2018-19). | 321.44 | 753.38 |
| Dividend Distribution Tax on Final Dividend | Nil | 101.29 * |
| Interim dividend for the year ended 31st March 2021 of INR 1.25 (31st March 2020- INR 1.18) per fully paid share. | 1,255.63 | 1185.31 |
| Dividend Distribution Tax on Interim Dividend | - | 197.49* |
| **(ii) Dividend not recognised at the end of the reporting period** | | |
| In addition to the above dividends, since year end the directors of the Company have recommended the payment of a final dividend of INR 0.35 (31st March 2020- ₹ 0.32) per fully paid up Shares. The proposed dividend is subject to the approval of shareholders in the ensuring AGM. | 351.58 | 321.44 |
| Dividend Distribution Tax on Proposed Dividend | - | - |

* Adjusted with Dividend Distribution Tax on dividend received from NHDC Ltd.

## Note No. 34: Other Explanatory Notes to Accounts

**1.** The subsidiaries and joint venture companies considered in the Consolidated Financial Statement are:

| Name of the Company | Country of Incorporation | Proportion (%) of Ownership Interest | |
|---|---|---|---|
| | | **31.03.2021** | **31.03.2020** |
| **A. Subsidiary Companies** | | | |
| NHDC Limited | India | 51.08% | 51.08% |
| Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited) | India | 74.92% | 73.17% |
| Bundelkhand Saur Urja Limited (BSUL) | India | 74.00% | 99.99% |
| Lanco Teesta Hydro Power Limited (w.e.f 09.10.2019)* | India | 100.00% | 100.00% |
| Jal Power Corporation Limited** (w.e.f. 31.03.2021) | India | 100.00% | - |
| **B. Joint Venture Companies** | | | |
| Chenab Valley Power Projects (P) Limited (CVPPPL)*** | India | 51.93% | 49.89% |
| National High Power Test Laboratory Private Limited (NHPTL)**** | India | 20.00% | 20.00% |

* The Board of Directors of the Company in its meeting held on October 20, 2020 has approved the proposal to initiate the process of merger/amalgamation of Lanco Teesta Hydro Power Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited under Section 232 of the Companies Act, 2013 subject to approval of Government of India.

** During the year, National Company Law Tribunal (NCLT) had approved the resolution plan submitted by the Company for acquisition of Jal Power Corporation Limited (120 MW Rangit IV HE Project) for a consideration of ₹ 165.00 Crore, vide order dated 24th Dec. 2020. The purchase consideration has been paid on 31st March, 2021 and Jal Power Corporation Limited has become a wholly owned subsidiary of the Company from that date. However the shares has been allotted to the Company on 6th May, 2021. (Refer Note 34(32) for detail disclosure.)

*** During the year, company's shareholding increased from 49.89% to 51.93% due to further investment by co-venturer. However, CVPPL continues to be a Joint Venture owing to control exercised jointly with the co- venture, pursuant to the Joint Venture agreement. Further, the Company has obtained the approval of the Ministry of Power, Govt. of India for acquiring the shareholding of M/s PTC (India) Ltd., one of the Joint Venture partners, amounting to 2% of the equity shares of CVPPL on 12th May, 2021. Purchase consideration has been paid to M/s PTC (India) Ltd on 25.05.2021. Consequent to this CVPPL shall become subsidiary company of NHPC Limited on completion of requisite formalities in this respect.

**** The financial statements are unaudited. The figures appearing in financial statements may change on completion of its audit.

**2. Disclosures relating to Contingent Liabilities:**

**Contingent Liabilities to the extent not provided for –**

**a) Claims against the Group not acknowledged as debts in respect of:**

**(i) Capital works**

Contractors have lodged claims aggregating to ₹ **10336.09 Crore** (Previous year ₹ **10940.74 Crore**) against the Group on account of rate and quantity deviation, cost relating to extension of time, idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the Group as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Group. These include ₹ **6003.27 Crore** (Previous year

₹ **5223.46 Crore**) towards arbitration awards including updated interest thereon, against the Group, which have been challenged/decided to be challenged in the Court of Law.

Management has assessed the above claims and recognized a provision of ₹ **412.91 Crore** (Previous year ₹ **395.89 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **9716.48 Crore** (Previous year ₹ **10294.50 Crore**) as the amount of contingent liability i.e. amounts for which Group may be held contingently liable. In respect of such estimated contingent claims either the outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

**(ii) Land Compensation cases**

In respect of land acquired for the projects, some of the erstwhile land owners have filed claims for higher compensation amounting to ₹ **519.99 Crore** (Previous year ₹ **430.74 Crore**) before various authorities/ courts. Pending settlement, the Group has assessed and provided an amount of ₹ **19.64 Crore** (Previous year ₹ **19.62 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **500.35 Crore** (Previous year ₹ **411.12 Crore**) as the amount of contingent liability as outflow of resources is considered as not probable.

**(iii) Disputed Tax Demands**

Disputed Income Tax/Sales Tax/Service Tax/ Water Cess/ Green Energy Cess /other taxes/duties matters pending before various appellate authorities amount to ₹ **923.33 Crore** (Previous year ₹ **761.14 Crore**). Pending settlement, the Group has assessed and provided an amount of ₹ **17.52 Crore** (Previous year ₹ **17.70 Crore**) based on probability of outflow of resources embodying economic benefits and ₹ **645.36 Crore** (Previous year ₹ **642.23 Crore**) are being disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

**(iv) Others**

Claims on account of other miscellaneous matters amount to ₹ **888.41 Crore** (Previous year ₹ **706.16 Crore**). These claims are pending before various forums. Pending settlement, the Group has assessed and provided an amount of ₹ **155.13 Crore** (Previous year ₹ **17.81 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **728.20 Crore** (Previous year ₹ **736.47 Crore**) as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

The above is summarized as below:

(₹ in Crore)

| Sl. No. | Particulars | Claims as on 31.03.2021 | up to date Provision against the claims | Contingent liability as on 31.03.2021 | Contingent liability as on 31.03.2020 | Addition/ (deduction) from contingent liability during the year | Decrease of contingent liability from Opening Balance as on 01.04.2020 |
|---|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii)=(v)-(vi) | (viii) |
| 1. | Capital Works | 10336.09 | 412.91 | 9716.48 | 10294.50* | (578.02) | 950.89 |
| 2. | Land Compen-sation cases | 519.99 | 19.64 | 500.35 | 411.12 | 89.23 | 12.68 |
| 3. | Disputed tax matters | 923.33 | 17.52 | 645.36 | 642.43 | 2.93 | 84.07 |
| 4. | Others | 888.41 | 155.13 | 728.20 | 736.47* | (8.27) | 190.52 |
| | **Total** | **12667.82** | **605.20** | **11590.39** | **12,084.52** | **(494.13)** | **1238.16** |

* Contingent liability amounting to ₹ **74.78 Crore** has been reclassified from "Capital Works" to "Others" during the Previous Year

(b) The above do not include contingent liabilities on account of pending cases in respect of service matters and others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) There is possibility of reimbursement to the Group of ₹ **469.82 Crore** (Previous year ₹ **365.26 Crore**) towards above Contingent Liabilities.

(e) (i) An amount of ₹ **1140.45 Crore** (Previous year ₹ **697.09 Crore**) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/ being challenged by the Group in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also refer Note No. 5).

(ii) An amount of ₹ **1570.26 Crore** (Previous year ₹ **1324.51 Crore**) stands paid /deposited with courts/ paid as per Court Order towards above contingent liabilities to contest the cases and has been shown under Other Non-Current/ Current Assets/ adjusted against other liabilities of the claimants. (Also refer Note no. 5 and 13)

(f) The Management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.

(g) Category of agency wise details of contingent liabilities as at 31.03.2021 are as under:

(₹ in Crore)

| Sl. No. | Category of Agency | Claims as on 31.03.2021 | up to date Provision against the claims | Contingent liability as on 31.03.2021 | Contingent liability as on 31.03.2020 | Addition(+)/ deduction (-) from contingent liability during the year | Decrease of contingent liability from Opening Balance as on 01.04.2020 |
|---|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii)=(v)-(vi) | (viii) |
| 1 | Central Government departments | 333.22 | 0.83 | 71.93 | 71.87 | 0.06 | 0.70 |
| 2 | State Government departments or Local Bodies | 730.42 | 96.41 | 634.01 | 644.66 | (10.65) | 83.37 |
| 3 | Central Public Sector Enterprises (CPSEs) | 139.77 | 92.77 | 16.59 | 100.36 | (83.77) | 93.16 |
| 4 | Others | 11,464.41 | 415.19 | 10,867.86 | 11,267.63 | (399.77) | 1,060.93 |
| | **TOTAL** | **12,667.82** | **605.20** | **11,590.39** | **12,084.52** | **(494.13)** | **1,238.16** |

(h) The Government of Sikkim vide letter dated 2nd August 2019 has raised demand on Teesta-V Power Station for ₹ **35.80 Crore** (Previous year ₹ **35.80 Crore**) towards acquisition of land and compensation for appurtenant houses and other structures on the said Land which were purportedly damaged by Dam water during FY 2014. The claim has been refuted by the management on the grounds that the land is not required by the Power station and also damages were not on account of construction activities which were completed back in FY 2008. The damage has apparently happened due to existence of old slide zones in the area. The notification for acquisition of land under the RFCTLARR Act, 2013 published in the Sikkim Government Gazette on 06.03.2018 is unilateral and without the consent of the Power Station and as such is legally not tenable. The matter is currently under discussion with the State Government and pending further review and discussion/ agreement on the matter and considering that the demand pertains to the

Land which has not been requisitioned by the Group for Power Station and as such no cash outflow is expected in this respect.

3. **Contingent Assets:** Contingent assets in respect of the Group are on account of the following:

a) **Counter Claims lodged by the Group on other entities:**

The Group has lodged counter claims aggregating to ₹ **971.12 Crore** (Previous year ₹ **915.84 Crore**) against claims of other entities. These claims have been lodged on the basis of contractual provisions and are being contested at arbitration tribunal/other forums/under examination with the counterparty. It includes counter claims of ₹ **28.16 Crore** (Previous year ₹ **28.16 Crore**) towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ **841.22 Crore** (Previous year ₹ **803.37 Crore**) and for rest of the claims, the possibility of any inflow is remote. Accordingly, these claims have not been recognised.

b) **Late Payment Surcharge:**

CERC (Terms & Conditions of Tariff) Regulations 2014-19/2019-24 provide for levy of Late Payment Surcharge by generating Group in case of delay in payment by beneficiaries beyond specified days from the date of presentation of bill. In view of significant uncertainties in the ultimate collection from the beneficiaries, an amount of ₹ **60.94 Crore** (previous year ₹ **239.48 Crore**) as estimated by the management has not been recognised.

c) **Revenue to the extent not recognised in respect of power stations:**

Tariff orders for 2019-24 are pending in respect of all Power Stations. Further, Truing up order of 2014-19 are pending for approval of CERC in respect of Indra Sagar and Omkareshwar Power Stations. Management has assessed that additional revenue of ₹ **23.75 Crore** (Previous year ₹ **561.10 Crore**) is likely to accrue on account of tariff revision which has not been recognised due to significant uncertainty for the approval thereof.

d) **Business Interruption Losses**

Insurance Claims due to Business Interruption Losses in respect of Power Stations are recognised when no significant uncertainty of ultimate collection exists. Management has assessed the claim of ₹ **417.57 Crore** (Previous Year ₹ **210.05 Crore**) in this respect which has not been recognised. Power Station-wise details of claims are given at Note 34(24) of the standalone Financial Statements.

e) **Other Cases**

Claims on account of other miscellaneous matters estimated by Management to be ₹ **578.93 Crore** (Previous year ₹ **396.39 Crore**) has not been recognised.

4. **Commitments (to the extent not provided for):**

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(₹ in Crore)

| Sl. No. | Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| (i) | (ii) | (iii) | (iv) |
| 1. | Property Plant and Equipment (including Capital Work in Progress) | 5751.27 | 5339.32 |
| 2. | Intangible Assets | 16.22 | 16.65 |
| | **Total** | **5767.49** | **5355.97** |

(b) The Company has commitments of ₹ **807.26 Crore** (Previous year ₹ **1345.64 Crore**) towards further investment in the joint venture companies at as at 31st March, 2021.

5. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities and/ or for extra items aggregating to ₹ **0.06 Crore** (Previous year ₹ **0.41 Crore**) are included in Capital Work-in-Progress / Property, Plant and Equipment.

## 6. Disclosures as per IND AS 115 'Revenue from contracts with customers':

### (A) Nature of goods and services

**Majority of Revenue:** The revenue of the Group comprises of income from electricity sales, sale of electricity through trading, consultancy and other services. The following is a description of the principal activities:

### (a) Revenue from sale of electricity

The major revenue of the Group comes from sale of electricity. The Group sells electricity to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for electricity sales are as under:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Sale of electricity | The Group recognises revenue from contracts for electricity sales on the basis of long term Power Purchase Agreements entered into with the beneficiaries, which is for substantially the entire life of the Power Stations, i.e. 40 years. Revenue from sale of electricity is accounted for based on tariff rates approved by the CERC for tariff periods of 5 years 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/ approved provisionally by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of electricity is recognised once the electricity has been delivered to the beneficiary. Beneficiaries are billed on a periodic and regular basis. |

### (b) Project Management / Construction Contracts/ Consultancy assignments (Projects and Consultancies)

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for consultancy and other services are as under:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Consultancy services | The Group recognises revenue from contracts for consultancy services over the time as the customers simultaneously receive and consume the benefits provided by the Group. The assets (e.g. deliverables, reports etc.) transferred under the contracts do not have any alternative use to the Group and the Group has enforceable right to payment for performance completed to date. The revenue from consultancy services is determined as per the terms of the contracts. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period. |
| Rural Road Project / Rural Electrification Project | The Group recognises revenue from work done under the scheme over the time as the assets do not have alternative use to the Group and the Group has enforceable right to payment for performance completed to date. The revenue from the scheme is determined as per the terms of the contract. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period. |

### (c) Trading of Power

The Group purchases power from Generating Companies and sells it to the Discoms. Depending on the nature and the risks and reward profile of the agreements, the Group accounts for revenue from trading of power either as an agent or as a principal.

Following are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of electricity through trading:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Sale of electricity through trading | The Group recognises revenue from contracts for sale of electricity through trading over the time as the customers simultaneously receive and consume the benefits provided by the Group. The tariff for computing revenue from sale of electricity through trading is determined as per the terms of the agreements. The amounts are billed as per periodicity specified in the Contract and are payable within contractually agreed credit period. |

**(B) Disaggregation of Revenue**

In the following table, revenue is disaggregated by type of product and services, geographical market and timing of revenue recognition:

(₹ in Crore)

| Particulars | Generation of electricity for the year ended (including revenue classified under Finance and Operating Leases) | | Project Management / Construction Contracts/ Consultancy assignments | | Trading of Power | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Geographical markets** | **31.03.2021** | **31.03.2020** | **31.03.2021** | **31.03.2020** | **31.03.2021** | **31.03.2020** | **31.03.2021** | **31.03.2020** | **31.03.2021** | **31.03.2020** |
| India | 9,252.47 | 9,574.40 | 21.26 | 19.03 | 216.48 | 239.47 | 157.52 | 170.61 | 9,647.73 | 0,003.51 |
| Others | - | - | 0.16 | 4.30 | - | - | - | - | 0.16 | 4.30 |
| **Total** | **9,252.47** | **9,574.40** | **21.42** | **23.33** | **216.48** | **239.47** | **157.52** | **170.61** | **9,647.89** | **10,007.81** |
| **Timing of revenue recognition:** | | | | | | | | | | |
| Products and services transferred over time | 9,252.47 | 9,574.40 | 21.42 | 23.33 | 216.48 | 239.47 | 157.52 | 170.61 | 9,647.89 | 10,007.81 |
| **Units Sold (MU)** | **25494** | **26990** | **-** | **-** | **-** | **-** | **-** | **-** | **25494** | **26990** |

**(C) Contract Balances**

Details of trade receivables, unbilled revenue and 'advances from customers / clients for Deposit Works and Contract Liabilities-Project Management/Consultancy Work are as under:

(₹ in Crore)

| Particulars | As at 31st March, 2021 Current | As at 31st March, 2020 Current |
|---|---|---|
| Trade Receivables | 3,409.88 | 3,583.22 |
| Unbilled Revenue | 1,758.91 | 2,589.41 |
| Contract Liabilities- Deposit Works | 7.52 | 9.37 |
| Contract Liabilities- Project Management Consultancy Work | 144.09 | 268.49 |
| Advance from Customers and Others | 32.99 | 11.69 |

The Group has recognised revenue of ₹ **NIL Crore** (Previous Year ₹ **3.63 Crore**) from opening contract liabilities.

**(D)** Transaction price allocated to the remaining performance obligations is either not applicable or not material to the Company's operations.

**(E)** **Practical expedients applied as per Ind AS 115 'Revenue from Contracts with Customers':**

(i) The Group has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

(ii) Group does not have any contracts in the normal course of business where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Accordingly, transaction price has been adjusted for the time value of money only where such time value of money is significant.

**(F)** The Group has not incurred any incremental costs of obtaining contracts with a customer and has therefore, not recognised any asset for such costs.

**7.** Government of Madhya Pradesh (GoMP), being a joint venture partner, contributed on various accounts through Narmada Valley Development Authority (NVDA) as per CCEA approval, details given below : - (Refer Note No. 19 of Balance Sheet)

**Movement during FY 2020-21:**

**Indira Sagar Project (ISP): -**

(₹ in Crore)

| (A) Amount received in Cash or in kind | Cumulative up to 31.03.2020 | During 2020-21 | Cumulative up to 31.03.2021 |
|---|---|---|---|
| i. Expenditure by NVDA on account of Project | 1,370.72 | 4.95 | 1,375.67 |
| ii. Cash Received | 669.71 | 3.12 | 672.83 |
| iii. Amount transferred from OSP A/c | 8.56 | - | 8.56 |
| **Total of (A)** | **2,049.00** | **8.07** | **2,057.06** |
| **(B) Due/Adjusted on account of** | | | |
| i. Equity Capital | 660.00 | - | 660.00 |
| ii. Irrigation Component | 406.57 | 0.34 | 406.91 |
| iii. SSP Component | 519.52 | 0.43 | 519.95 |
| iv. Sub-vention towards excess R&R Expenses | 419.99 | 2.58 | 422.57 |
| v. Electricity charges and water supply maintenance charges | 5.04 | - | 5.04 |
| vi. Equity of OSP | 33.08 | - | 33.08 |
| **Total of (B)** | **2,044.20** | **3.35** | **2,047.55** |
| **(C) Amount recoverable from NVDA i.e. (B-A)** | **(4.80)** | **(4.72)** | **(9.51)** |

**Omkareshwar Project (OSP): -**

(₹ in Crore)

| (D) Amount received in Cash or in kind | Cumulative up to 31.03.2020 | During 2020-21 | Cumulative up to 31.03.2021 |
|---|---|---|---|
| i. Expenditure by NVDA on account of Project | 127.76 | - | 127.76 |
| ii. Cash Received | 651.41 | 4.00 | 655.41 |
| iii. Amount transferred from ISP A/C | 33.08 | - | 33.08 |
| **Total of (D)** | **812.25** | **4.00** | **816.25** |
| **(E) Due/Adjusted on account of** | | | |
| i. Equity Capital | 300.16 | - | 300.16 |
| ii. Irrigation Component | 240.07 | 2.96 | 243.03 |
| iii. Sub-venation towards excess R&R Expenses | 78.89 | 3.83 | 82.72 |

| (D) Amount received in Cash or in kind | Cumulative up to 31.03.2020 | During 2020-21 | Cumulative up to 31.03.2021 |
|---|---|---|---|
| iv. Amount Transferred to ISP A/C | 8.56 | - | 8.56 |
| v. Additional Special R&R Package | 232.86 | (0.87) | 231.99 |
| **Total of (E)** | **860.54** | **5.92** | **866.46** |
| **(F) Amount recoverable from NVDA i.e. (E-D)** | **48.29** | **1.92** | **50.21** |
| **(G) Total Amount recoverable i.e (C+F)** | **43.49** | **(2.80)** | **40.70** |

**Movement of Grant in Reserve during Financial Year 2020-21 is as under:-**

(₹ in Crore)

| Sl. No. | Particulars | 01.04.2020 | Additions | Deductions | 31.03.2021 |
|---|---|---|---|---|---|
| 1. | Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid | 213.06 | 0.34 | 12.61 | 200.79 |
| 2. | Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS. | 272.28 | 0.43 | 16.11 | 256.60 |
| 3. | Contribution by Govt. of Madhya Pradesh towards R&R of ISPS. | 252.28 | 2.58 | 16.53 | 238.33 |
| 4. | Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid | 118.19 | 2.96 | 5.80 | 115.35 |
| 5. | Contribution by Govt. of Madhya Pradesh towards R&R of OSPS. | 221.99 | 2.96 | 12.72 | 212.23 |
| | **Total** | **1,077.79** | **9.27** | **63.76** | **1023.30** |

**Movement during FY 2019-20:**

**Indira Sagar Project (ISP): -**

(₹ in Crore)

| (A) Amount received in Cash or in kind | Cumulative up to 31.03.2019 | During 2019-20 | Cumulative up to 31.03.2020 |
|---|---|---|---|
| i. Expenditure by NVDA on account of Project | 1,363.95 | 6.77 | 1,370.72 |
| ii. Cash Received | 669.71 | - | 669.71 |
| iii. Amount transferred from OSP A/c | 8.56 | - | 8.56 |
| **Total of (A)** | **2,042.22** | **6.77** | **2,049.00** |
| **(B) Due/Adjusted on account of** | | | |
| i. Equity Capital | 660.00 | - | 660.00 |
| ii. Irrigation Component | 406.34 | 0.23 | 406.57 |
| iii. SSP Component | 519.23 | 0.29 | 519.52 |
| iv. Sub-vention towards excess R&R Expenses | 418.34 | 1.65 | 419.99 |
| v. Electricity charges and water supply maintenance charges | 5.04 | - | 5.04 |
| vi. Equity of OSP | 33.08 | - | 33.08 |
| **Total of (B)** | **2,042.03** | **2.17** | **2,044.20** |
| **(C) Amount recoverable from NVDA i.e. (B-A)** | **(0.19)** | **(4.60)** | **(4.79)** |

**Omkareshwar Project (OSP): -**

(₹ in Crore)

| (D) Amount received in Cash or in kind | Cumulative up to 31.03.2019 | During 2019-20 | Cumulative up to 31.03.2020 |
|---|---|---|---|
| i. Expenditure by NVDA on account of Project | 127.76 | - | 127.76 |
| ii. Cash Received | 651.41 | - | 651.41 |
| iii. Amount transferred from ISP A/C | 33.08 | - | 33.08 |
| **Total of (D)** | **812.25** | **-** | **812.25** |
| **(E) Due/Adjusted on account of** | | | |
| i. Equity Capital | 300.16 | - | 300.16 |
| ii. Irrigation Component | 239.64 | 0.43 | 240.07 |
| iii. Sub-venation towards excess R&R Expenses | 77.90 | 0.99 | 78.89 |
| iv. Amount Transferred to ISP A/C | 8.56 | - | 8.56 |
| v. Additional Special R&R Package | 208.18 | 24.68 | 232.86 |
| **Total of (E)** | **834.44** | **26.10** | **860.54** |
| **(F) Amount recoverable from NVDA i.e. (E-D)** | **22.19** | **26.10** | **48.29** |
| **(G) Total Amount recoverable i.e (C+F)** | **22.00** | **21.50** | **43.50** |

**Movement of Grant in Reserve during Financial Year 2019-20 is as under:-**

(₹ in Crore)

| Sl. No. | Particulars | 01.04.2019 | Additions | Deductions | 31.03.2020 |
|---|---|---|---|---|---|
| 1. | Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid | 225.39 | 0.23 | 12.56 | 213.06 |
| 2. | Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS. | 288.04 | 0.29 | 16.05 | 272.28 |
| 3. | Contribution by Govt. of Madhya Pradesh towards R&R of ISPS. | 267.00 | 1.65 | 16.36 | 252.28 |
| 4. | Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid | 128.54 | 0.43 | 10.78 | 118.19 |
| 5. | Contribution by Govt. of Madhya Pradesh towards R&R of OSPS. | 209.06 | 25.67 | 12.75 | 221.99 |
| | **Total** | **1,118.03** | **28.27** | **68.50** | **1,077.79** |

**8.** The effect of foreign exchange rate variation(FERV) during the year are as under:

(₹ in Crore)

| Sl. No. | Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|---|
| (i) | Amount charged to Statement of Profit and Loss as FERV | (34.21) | 49.75 |
| (ii) | Amount charged to Statement of Profit and Loss as Borrowing Cost* | - | 143.79 |
| (iii) | Amount recognised in Regulatory Deferral Account Balances | 1.70 | 0.99 |
| (iv) | Amount adjusted by addition to the carrying amount of Property, Plant and Equipment | (49.68) | 0.05 |

* There is however no impact on profitability of the Group, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (Terms and Conditions of Tariff) Regulations 2019-24. The exchange rate variation included under borrowing cost for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per Significant Accounting Policy of the Group.

**9. Operating Segment:**

a) Electricity generation (including income from embedded Finance/ Operating leases) is the principal business activity of the Group. Other operations viz., Contracts, Project Management, Consultancy works and Power Trading Business do not form a reportable segment as per the Ind AS – 108 on 'Operating Segment'.

b) The Group has a single geographical segment as all its Power Stations are located within the Country.

c) Information about major customers: Revenue of ₹ **6145.65 Crore** (Previous year ₹ **6084.17 Crore**) is derived from following customers as per details below:

| Sl. No. | Name of Customer | Revenue from customer (₹ In Crore) | | Revenue from customer as a % of total revenue | |
|---|---|---|---|---|---|
| | | For the year ended 31.03.2021 | For the year ended 31.03.2020 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
| 1 | Uttar Pradesh Power Corporation Limited. | 1463.35 | 1616.62 | 15.17% | 16.15% |
| 2 | Power Development Department , Jammu & Kashmir Govt./ JK Power Corporation Limited | 1452.30 | 1479.07 | 15.05% | 14.78% |
| 3 | West Bengal State Electricity Board | 1302.30 | 865.67 | 13.50% | 8.65% |
| 4 | Madhya Pradesh Power Management Company Limited | 1158.41 | 1273.37 | 12.01% | 12.72% |
| 5 | Punjab State Power Corporation Limited | 769.29 | 849.44 | 7.97% | 8.49% |
| | **Total** | **6145.65** | **6084.17** | **63.70%** | **60.79%** |

e) Revenue from External Customers: The Group is domiciled in India. The amount of its revenue from external customer is as under:

(₹ in Crore)

| Sl. No | Revenue from External Customers | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|---|
| 1 | Bhutan | 0.16 | 4.30 |
| | **Total** | **0.16** | **4.30** |

**Note:** Above includes amount in foreign currency ₹ NIL (Previous year ₹ NIL).

**10. Disclosures under Ind AS-24 "Related Party Disclosures":**

**(A) List of Related parties:**

**(i) Joint Ventures:**

| Name of Companies | Principle place of operation |
|---|---|
| National High Power Test Laboratory (P) Ltd. (NHPTL) | India |
| Chenab Valley Power Projects Private Ltd. (CVPPPL) | India |

**(ii) Key Managerial Personnel:**

| Sl. No. | Name | Position Held |
|---|---|---|
| 1 | Shri Abhay Kumar Singh | Chairman and Managing Director |
| 2 | Shri Nikhil Kumar Jain | Director (Personnel) |
| 3 | Shri Yamuna Kumar Chaubey | Director (Technical)(Appointed on 01.04.2020) |
| 4 | Shri Rajendra Prasad Goyal | Director (Finance) and CFO (Appointed on 01.10.2020) |
| 5 | Shri Mahesh Kumar Mittal | Director (Finance) and CFO (Retired on 30.09.2020) |
| 6 | Shri Biswajit Basu | Director (Projects) (Appointed on 01.01.2021) |
| 7 | Shri Ratish Kumar | Director (Projects)(Retired on 31.12.2020) |
| 8 | Shri Tanmay Kumar | Govt. Nominee Director (Joint Secretary, Ministry of Power) (Appointed on 11.06.2020) |
| 9 | Shri Bhagwat Prasad | Independent Director (Retired on 07.09.2020) |
| 10 | Shri Jugal Kishore Mohapatra | Independent Director (Retired on 07.09.2020) |
| 11 | Shri Aniruddha Kumar | Govt. Nominee Director (Retired on 29.05.2020) |
| 12 | Shri Saurabh Chakravorty | Company Secretary (Appointed on 11.02.2021) |
| 13 | Shri Vijay Gupta | Company Secretary (Ceased on 16.01.2021) |

**(iii) Post-Employment Benefit Plans :**

| Name of Related Parties | Principle place of operation |
|---|---|
| NHPC Limited Employees Provident Fund | India |
| NHPC Limited Employees Group Gratuity Assurance Fund | India |
| NHPC Limited Retired Employees Health Scheme Trust | India |
| NHPC Limited Employees Social Security Scheme Trust | India |
| NHPC Limited Employees Defined Contribution Superannuation Scheme Trust | India |
| NHPC Limited Employee Leave Encashment Trust | India |

**(iv) Other entities with joint-control or significant influence over the Group:**

The Group is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. The Group has applied the exemption available for government related entities and has made limited disclosures in the Financial Statements in accordance with Ind AS 24. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

| Sl. No. | Name of the Government | Nature of Relationship with NHPC |
|---|---|---|
| 1 | Government of India | Shareholder having control over Group |
| 2 | State government of Madhya Pradesh, Uttar Pradesh and Manipur | Shareholder (NCI) in subsidiaries of NHPC |
| 3 | UT of Jammu & Kashmir | Co-venturer in jointly controlled entity. |
| 4 | Various Central Public Sector Enterprises and Other Govt. Controlled entities (BHEL, IOCL, POSOCO, SAIL, New India Assurance Company, Damodar Vally Corporation, PGCIL, REC, BSNL, EESL, KV, Balmer Lawrie & Co. Ltd. etc.) | Entities controlled by the same Government (Central Government) that has control over NHPC |

**(B) Transactions with related parties are as follows:**

**(i) Transactions with Joint Ventures**

(₹ in Crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Services Provided by the Group** | | |
| ▪ CVPPL | 23.33 | 20.25 |
| **Equity contributions (including share application money) by the Group** | | |
| ▪ CVPPL | 500.00 | 140.45 |
| **Reimbursement of Cost of employee on deputation/ posted at** | | |
| ▪ CVPPL | 2.81 | 3.25 |
| **Loan given by the Group** | | |
| ▪ NHPTL | 12.40 | - |
| **Interest on Loan given** | | |
| ▪ NHPTL | 0.60 | 0.60 |

**(ii) Compensation to Key Management Personnel:**

(₹ in Crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Short Term Employee Benefits | 4.56 | 4.76 |
| Post-Employment Benefits | 1.12 | 0.72 |
| Other Long Term Benefits | 0.93 | 0.28 |

(₹ in Crore)

| Other Transactions with KMP | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Sitting Fees and other reimbursements to non-executive/independent directors | 0.05 | 0.24 |
| Interest Received during the year | 0.03 | 0.01 |

**Transactions with other related parties- Post Employment Benefit Plans**

(₹ in Crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| Contribution to EPF Trust | 366.38 | 467.11 |
| Contribution to Gratuity Trust/(Net of Refund from Trust) | (79.27) | (83.60) |
| Contribution to REHS Trust/(Net of Refund from Trust) | 34.44 | (88.30) |
| Contribution to Social Security Scheme Trust | 6.18 | 6.97 |
| Contribution to EDCSS Trust | 144.70 | 201.64 |
| Contribution to Leave Encashment Trust | 19.84 | 34.14 |

**(iv) Transactions with Government that has control over the Group- Central Government /State Government/Union Territories.** (This includes transactions with various Ministries, CISF etc.)

(₹ in Crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| Services Received by the Group | 410.14 | 535.96 |
| Services Provided by the Group | 41.00 | 5.76 |
| Sale of goods/Inventory made by the Group | 4421.17 | 4262.99 |
| Purchase of property/Other assets | - | - |
| Purchase of Construction Materials, Stores., etc. | - | 40.23 |
| Dividend Paid During The Year to Government of India | 1118.90 | 1393.41 |
| Dividend Paid During The Year to Government of Madhya Pradesh | 271.73 | 464.72 |
| Subordinate Debts received by the Group | 65.31 | 554.64 |
| Interest on Subordinate debts paid by company (including interest accrued) | 70.64 | 69.71 |
| Guarantee Fee on Foreign Loans to Govt. of India | 13.59 | 13.43 |
| Interest received on account of 8.12% NHPC GOI Fully Serviced Bonds Issued on mandate of MOP and paid to GOI (including Interest Accrued) | 163.58 | 164.01 |

**(v) Transactions with entities controlled by the Government that has control over the Group**

(₹ in Crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| Purchase of property/Other assets | 60.08 | 87.99 |
| Purchase of Construction Materials, Stores., etc. | 131.05 | 36.48 |
| Services Received by the Group | 209.63 | 215.51 |
| Services Provided by the Group | 0.69 | 1.64 |
| Sale of goods/Inventory made by the Group | 73.11 | 79.21 |
| Settlement Amount received by the Group against Insurance Claims | 23.25 | 56.39 |

**(C) Outstanding balances and guarantees with Related Parties:**

(₹ in Crore)

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Balances with Joint Ventures (CVPPL and NHPTL)** | | |
| • Receivables | 54.07 | 42.94 |
| • Loan Outstanding (including interest accrued) | 18.82 | 6.27 |
| **Balances with KMP** | | |
| • Receivables | 0.28 | 0.05 |
| **Balances with Trust created for post- employment benefit plans of NHPC** | | |

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Receivable** | | |
| • Gratuity Trust | 58.89 | 40.30 |
| • REHS Trust | 95.26 | 135.52 |
| • Leave Encashment Trust (Net) | 45.20 | - |
| **Payable** | | |
| • EPF Trust | 0.06 | 28.50 |
| • REHS Trust | 0.56 | 0.24 |
| • Social Security Scheme Trust | 0.50 | 0.54 |
| • EDCSS Trust | 54.89 | 11.17 |
| • Leave Encashment Trust | - | 1.78 |
| **Balances with Government that has control over the Group-Central Government/State Government** | | |
| • Payables | 158.79 | 221.31 |
| • Receivables | 1819.57 | 2597.55 |
| • Loan from Government (Subordinate debts) | 4783.41 | 4741.21 |
| • 8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest accrued) | 2021.69 | 2021.68 |
| **Guarantee Received from Government (Against Foreign Currency Borrowing)** | 968.62 | 1132.22 |
| **Balances with Entities controlled by the Government that has control over the Group** | | |
| • Payables | 67.30 | 63.96 |
| • Receivables | 194.29 | 94.89 |
| • Balances Out of Commitments made by the Group | 0.57 | 0.29 |

**(D) Other notes to related party transactions:**

**(i) Terms and conditions of transactions with the related parties:**

(a) Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms- length basis (except subordinate debts received from Central Government at concessional rate) through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

(b) Unsecured loan of ₹ 18.40 Crore (Previous Year ₹ 6.00 Crore) granted to NHPTL is interest bearing @ 10% to be compounded annually.

(c) Consultancy services provided by the Group 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.

(d) Outstanding balances of joint venture companies as at 31.03.2021 are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. No impairment of receivables relating to amounts owed by related parties has been recognised. Assessment of impairment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**(ii)** Commitment towards further investments in the joint venture companies are disclosed at Note 34(4).

**(iii)** Contributions to post-employment benefit plans are net of refunds from trusts.

**11. Particulars of Security: The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.**

(₹ in Crore)

| Sl. No | Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| | **First Charge** | | |
| 1 | Property Plant and Equipment | 9,763.04 | 11,617.29 |
| 2 | Capital Work In Progress | 10,782.38 | 7,898.75 |
| 3 | Financial Assets- Others | 1,155.07 | - |
| | **Total** | **21,700.49** | **19,516.04** |

**12. Disclosures Under Ind AS-19 " Employee Benefits":**

**(A) Defined Contribution Plans-**

**(i) Social Security Scheme:** The Group has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment. The Group also makes a matching contribution per month per employee and such contribution was to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007, which has been extended for another 5 years i.e. up to 31.05.2022. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the period towards social security scheme is ₹ **3.20 Crore** (Previous year ₹ **5.52 Crore**).

**(ii) Employees Defined Contribution Superannuation Scheme (EDCSS):** The Group has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay and Dearness Allowance. The Group contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity Trust and REHS Trust, from the amount worked out @ 30% of the Basic Pay and DA. The Scheme is managed by Life Insurance Corporation of India. The expenses recognised during the period towards Employees Defined Contribution Superannuation Scheme (EDCSS) is ₹ **104.55 Crore** (Previous year ₹ **87.82 Crore**).

**(B) Defined Benefit Plans-** Group has following defined post-employment benefit obligations :

**(a) Description of Plans:**

**(i) Provident Fund:** The Group pays fixed contribution to Provident Fund at predetermined rates to a separate Trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit and Loss/Expenditure Attributable to Construction. The obligation of the Group is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India (GoI).

**(ii) Gratuity:** The Group has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to get 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. The plan is being managed by a separate Trust created for the purpose and obligation of the Group is to make contribution to the Trust based on actuarial valuation.

**(iii) Retired Employees Health Scheme (REHS):** The Group has a Retired Employee Health Scheme, under which retired employee and/or spouse of retiree and eligible dependent children of deceased employees are provided medical facilities in the Group hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Group. The liability for the same is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the Group is to make contribution to the Trust based on such actuarial valuation.

(iv) **Allowances on Retirement/Death:** Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Group. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actuarial valuation.

(v) **Memento to employees on attaining the age of superannuation:** The Group has a policy of providing Memento valuing ₹ **10,000/-** to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation.

**(b) Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:**

**(i) Provident Fund :** Movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| **Particulars** | **Present Value of Obligation** | **Fair value of Plan Assets** | **Net Amount Obligation/ (Asset)** |
|---|---|---|---|
| | **(i)** | **(ii)** | **iii=(i)-(ii)** |
| | | **2020-21** | |
| **Opening Balance as at 01.04.2020** | **2987.17** | **2999.68** | **(12.51)** |
| Adjustment | 101.80 | 0.00 | 101.80 |
| Current Service Cost | 0.00 | 0.00 | 0.00 |
| Interest Expenses/ (Income) | 250.39 | 240.10 | 10.29 |
| **Total** | **352.19** | **240.10** | **112.09** |
| **Re-measurements** | | | |
| Return on Plan Assets, excluding amount included in interest expenses/(Income) | 0.00 | 8.40 | (8.40) |
| (Gain)/loss from change in demographic assumptions | 0.00 | 0.00 | 0.00 |
| (Gain)/loss from change in financial assumptions | 0.10 | 0.00 | 0.10 |
| Experience (gains)/Losses | 3.33 | 0.00 | 3.33 |
| **Total** | **3.43** | **8.40** | **(4.97)** |
| Contributions:- | | | |
| -Employers | 0.00 | 101.80 | (101.80) |
| -Additional Contribution Employee for last year loss | 0.00 | 0.78 | (0.78) |
| -Plan participants | 327.09 | 327.09 | 0.00 |
| Benefit payments | (533.63) | (533.63) | 0.00 |
| **Closing Balance as at 31.03.2021** | **3136.25** | **3144.22** | **(7.97)** |

(₹ in Crore)

| **Particulars** | **Present Value of Obligation** | **Fair value of Plan Assets** | **Net Amount Obligation/ (Asset)** |
|---|---|---|---|
| | **(i)** | **(ii)** | **iii=(i)-(ii)** |
| | | **2019-20** | |
| **Opening Balance as at 01.04.2019** | **2647.07** | **2718.80** | **(71.73)** |
| Adjustment | 0.00 | (0.30) | |
| Current Service Cost | 131.13 | - | 131.13 |
| Interest Expenses/ (Income) | 236.54 | 229.37 | 7.17 |
| **Total** | **367.67** | **229.07** | **138.60** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Re-measurements** | | | |
| Return on Plan Asset, excluding amount included in interest expense/(income) | 0.00 | 11.76 | (11.76) |
| (Gain)/loss from change in demographic assumptions | 0.01 | 0.00 | 0.01 |
| (Gain)/loss from change in financial assumptions | 0.23 | 0.00 | 0.23 |
| Experience (gains)/Losses | 63.27 | 0.00 | 63.27 |
| **Total** | **63.51** | **11.76** | **51.75** |
| Contributions:- | | | |
| -Employers | 0.00 | 131.13 | (131.13) |
| -Plan participants | 342.71 | 342.71 | 0.00 |
| Benefit payments | (433.79) | (433.79) | 0.00 |
| **Closing Balance as at 31.03.2020** | **2987.17** | **2999.68** | **(12.51)** |

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Present Value of funded obligations | 3136.25 | 2,987.17 |
| Fair value of Plan Assets | 3144.22 | 2,999.68 |
| **Deficit/(Surplus) of funded plans** | **(7.97)** | **(12.51)** |
| Unfunded Plans | | - |
| **Deficit/(Surplus) before asset ceiling** | **(7.97)** | **(12.51)** |

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Group 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 ₹ **7.97 Crore** determined through actuarial valuation. Accordingly, Group has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Group.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Increase in Assumption | | | Decrease in Assumptions | | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 0.007% | 0.006% | Increase by | 0.007% | 0.006% |

**(ii) Gratuity:** The amount recognised in the Balance Sheet as at 31.03.2021 and 31.03.2020 along with the movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **670.95** | **698.37** | **(27.42)** |
| Current Service Cost | 17.80 | 0.00 | 17.80 |
| Interest Expenses/ (Income) | 45.49 | 45.69 | (0.20) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **63.29** | **45.69** | **17.60** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/ (Income) | 0.00 | (2.52) | 2.52 |
| (Gain)/loss from change in demographic assumptions | (0.87) | 0.00 | (0.87) |
| (Gain)/loss from change in financial assumptions | 9.79 | 0.00 | 9.79 |
| Experience (gains)/Losses | (9.38) | 0.00 | (9.38) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.46)** | **(2.52)** | **2.06** |
| Contributions:- | | | |
| -Employers | 0.00 | 56.53 | (56.53) |
| -Plan participants | 0.00 | 0.00 | 0.00 |
| Benefit payments | (101.98) | (117.96) | 15.98 |
| **Closing Balance as at 31.03.2021** | **631.80** | **680.11** | **(48.31)** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Opening Balance as at 01.04.2019** | **695.89** | **763.91** | **(68.02)** |
| Current Service Cost | 19.53 | 0.00 | 19.53 |
| Interest Expenses/ (Income) | 52.61 | 57.75 | (5.14) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **72.14** | **57.75** | **14.39** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/ (Income) | 0.00 | (2.00) | 2.00 |
| (Gain)/loss from change in demographic assumptions | 0.59 | 0.00 | 0.59 |
| (Gain)/loss from change in financial assumptions | 32.80 | 0.00 | 32.80 |
| Experience (gains)/Losses | (13.59) | 0.00 | (13.59) |
| **Total Amount recognised in Other Comprehensive Income** | **19.80** | **(2.00)** | **21.80** |
| Contributions:- | | | |
| -Employers | 0.00 | 0.00 | 0.00 |
| -Plan participants | 0.00 | 0.00 | 0.00 |
| Benefit payments | (116.88) | (121.29) | 4.41 |
| **Closing Balance as at 31.03.2020** | **670.95** | **698.37** | **(27.42)** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.41 Crore** (previous year ₹ **0.56 Crore** accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Present Value of funded obligations | 631.80 | 670.95 |
| Fair value of Plan Assets | 680.11 | 698.37 |
| **Deficit/(Surplus) of funded plans** | **(48.31)** | **(27.42)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **(48.31)** | **(27.42)** |

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 3.33% | 3.18% | Increase by | 3.56% | 3.40% |
| Salary growth rate | 0.50% | 0.50% | Increase by | 0.51% | 0.53% | Decrease by | 0.57% | 0.60% |

**(iii) Retired Employees Health Scheme (REHS):** The amount recognised in the Balance Sheet as at 31.03.2021 and 31.03.2020 along with the movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **852.18** | **987.72** | **(135.54)** |
| Current Service Cost | 17.38 | 0.00 | 17.38 |
| Interest Expenses/ (Income) | 57.78 | 66.06 | (8.28) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **75.16** | **66.06** | **9.10** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | 0.00 | 6.29 | (6.29) |
| (Gain)/loss from change in demographic assumptions | (0.02) | 0.00 | (0.02) |
| (Gain)/loss from change in financial assumptions | 29.63 | 0.00 | 29.63 |
| Experience (gains)/Losses | 36.37 | 0.00 | 36.37 |
| **Total Amount recognised in Other Comprehensive Income** | **65.98** | **6.29** | **59.69** |
| Contributions:- | | | |
| -Employers | 0.00 | (5.82) | 5.82 |
| -Plan participants | 0.00 | 0.00 | 0.00 |
| Benefit payments | (34.03) | 0.00 | (34.03) |
| **Closing Balance as at 31.03.2021** | **959.29** | **1054.25** | **(94.96)** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Opening Balance as at 01.04.2019** | **865.53** | **863.48** | **2.05** |
| Current Service Cost | 17.03 | 0.00 | 17.03 |
| Interest Expenses/ (Income) | 65.43 | 64.69 | 0.74 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **82.46** | **64.69** | **17.77** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | 0.00 | 10.02 | (10.02) |
| (Gain)/loss from change in demographic assumptions | (0.21) | 0.00 | (0.21) |
| (Gain)/loss from change in financial assumptions | 73.46 | 0.00 | 73.46 |
| Experience (gains)/Losses | (136.43) | 0.00 | (136.43) |
| **Total Amount recognised in Other Comprehensive Income** | **(63.18)** | **10.02** | **(73.20)** |
| Contributions:- | | | |
| -Employers | 0.00 | 80.65 | (80.65) |
| -Plan participants | 0.00 | 0.00 | 0.00 |
| Benefit payments | (32.63) | (31.12) | (1.51) |
| **Closing Balance as at 31.03.2020** | **852.18** | **987.72** | **(135.54)** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Construction and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.57 Crore** (previous year ₹ **0.63 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Present Value of funded obligations | 959.29 | 852.18 |
| Fair value of Plan Assets | 1054.25 | 987.72 |
| **Deficit/(Surplus) of funded plans** | **(94.96)** | **(135.54)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **(94.96)** | **(135.54)** |

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Increase in Assumption | | | Decrease in Assumptions | | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 6.72% | 6.79% | Increase by | 6.79% | 6.86% |
| Medical cost rate | 0.50% | 0.50% | Increase by | 6.79% | 6.87% | Decrease by | 6.74% | 6.80% |

**(iv) Allowances on Retirement/Death:** The amount recognised in the Balance Sheet as at 31.03.2021 and 31.03.2020 along with the movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **6.05** | **0.00** | **6.05** |
| Current Service Cost | 0.29 | 0.00 | 0.29 |
| Interest Expenses/ (Income) | 0.41 | 0.00 | 0.41 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.70** | **0.00** | **0.70** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | 0.00 | 0.00 | 0.00 |
| (Gain)/loss from change in demographic assumptions | 0.03 | 0.00 | 0.03 |
| (Gain)/loss from change in financial assumptions | 0.08 | 0.00 | 0.08 |
| Experience (gains)/Losses | (0.45) | 0.00 | (0.45) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.34)** | **0.00** | **(0.34)** |
| Contributions:- | | | |
| -Employers | 0.00 | 0.00 | 0.00 |
| -Plan participants | 0.00 | 0.00 | 0.00 |
| Benefit payments | (0.36) | 0.00 | (0.36) |
| **Closing Balance as at 31.03.2021** | **6.05** | **0.00** | **6.05** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Opening Balance as at 01.04.2019** | **5.78** | **0.00** | **5.78** |
| Current Service Cost | 0.29 | 0.00 | 0.29 |
| Interest Expenses/ (Income) | 0.44 | 0.00 | 0.44 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.73** | **0.00** | **0.73** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | 0.00 | 0.00 | 0.00 |
| (Gain)/loss from change in demographic assumptions | 0.00 | 0.00 | 0.00 |
| (Gain)/loss from change in financial assumptions | 0.47 | 0.00 | 0.47 |
| Experience (gains)/Losses | (0.62) | 0.00 | (0.62) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.15)** | **0.00** | **(0.15)** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| Contributions:- | | | |
| -Employers | 0.00 | 0.00 | 0.00 |
| -Plan participants | 0.00 | 0.00 | 0.00 |
| Benefit payments | (0.31) | 0.00 | (0.31) |
| **Closing Balance as at 31.03.2020** | **6.05** | **0.00** | **6.05** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.01 Crore** (previous year ₹ **0.01 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

The net liability disclosed above related to unfunded plans.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | | Impact on Defined Benefit Obligation | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 4.49% | 4.87% | Increase by | 4.85% | 5.92% |
| Cost Increase | 0.50% | 0.50% | Increase by | 4.95% | 6.12% | Decrease by | 4.62% | 5.11% |

**(v) Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2021 and 31.03.2020 along with the movements in the net defined benefit obligation during the years 2020-21 and 2019-20 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **3.45** | **0.00** | **3.45** |
| Current Service Cost | 0.14 | 0.00 | 0.14 |
| Interest Expenses/ (Income) | 0.24 | 0.00 | 0.24 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.38** | **0.00** | **0.38** |
| Remeasurements | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | 0.00 | 0.00 | 0.00 |
| (Gain)/loss from change in demographic assumptions | 0.00 | 0.00 | 0.00 |
| (Gain)/loss from change in financial assumptions | 0.05 | 0.00 | 0.05 |
| Experience (gains)/Losses | (0.16) | 0.00 | (0.16) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.11)** | **0.00** | **(0.11)** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| Contributions:- | | | |
| -Employers | 0.00 | 0.00 | 0.00 |
| -Plan participants | 0.00 | 0.00 | 0.00 |
| Benefit payments | (0.51) | 0.00 | (0.51) |
| **Closing Balance as at 31.03.2021** | **3.21** | **0.00** | **3.21** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2019-20 | |
| **Opening Balance as at 01.04.2019** | **3.63** | **0.00** | **3.63** |
| Current Service Cost | 0.14 | 0.00 | 0.14 |
| Interest Expenses/ (Income) | 0.27 | 0.00 | 0.27 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.41** | **0.00** | **0.41** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | 0.00 | - |
| (Gain)/loss from change in demographic assumptions | 0.00 | 0.00 | 0.00 |
| (Gain)/loss from change in financial assumptions | 0.20 | 0.00 | 0.20 |
| Experience (gains)/Losses | (0.30) | 0.00 | (0.30) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.10)** | **0.00** | **(0.10)** |
| Contributions:- | | | |
| -Employers | - | 0.00 | - |
| -Plan participants | - | 0.00 | - |
| Benefit payments | (0.49) | 0.00 | (0.49) |
| **Closing Balance as at 31.03.2020** | **3.45** | **0.00** | **3.45** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.01 Crore** (previous year ₹ **0.01 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

The net liability disclosed above related to unfunded plans.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | | Impact on Defined Benefit Obligation | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 | | 31st March 2021 | 31st March 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 3.25% | 4.61% | Increase by | 3.43% | 4.87% |

(c) **Defined Benefit Plans: Significant estimates: Actuarial assumptions:**

| Particulars | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Discount Rate | 6.55% | 6.78% |
| Salary growth rate | 6.50% | 6.50% |

(d) **The major categories of Plan Assets are as follows:**

**Provident Fund:**

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 1820.46 | - | **1820.46** | 58.03 |
| Corporate Bonds | 1100.04 | - | **1100.04** | 35.07 |
| **Investment Funds** | | | | |
| Mutual Funds | 67.80 | - | **67.80** | 2.16 |
| LIC | - | - | **-** | - |
| **Cash and Cash Equivalents** | **-** | **83.95** | **83.95** | **2.68** |
| **Accrued Interest** | **64.63** | **-** | **64.63** | **2.06** |
| **Total** | **3052.93** | **83.95** | **3136.88** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2020 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 1751.33 | - | **1751.33** | 58.51 |
| Corporate Bonds | 1067.84 | - | **1067.84** | 35.68 |
| **Investment Funds** | | | | |
| Mutual Funds | 72.29 | - | **72.29** | 2.42 |
| LIC | - | - | **-** | - |
| **Cash and Cash Equivalents** | **-** | **29.74** | **29.74** | **0.99** |
| **Accrued Interest** | **71.92** | **-** | **71.92** | **2.40** |
| **Total** | **2963.38** | **29.74** | **2993.12** | **100.00** |

**Gratuity**

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Investment Funds** | | | | |
| LIC Scheme | - | 680.10 | **680.10** | 100.00 |
| **Cash and Cash Equivalents** | - | 0.01 | **0.01** | - |
| **Total** | **-** | **680.11** | **680.11** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2020 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Investment Funds** | | | | |
| LIC Scheme | - | 698.36 | **698.36** | 100.00 |
| **Cash and Cash Equivalents** | - | 0.01 | **0.01** | - |
| **Total** | **-** | **698.37** | **698.37** | **100.00** |

**Retired Employees Health Scheme (REHS):**

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 4.72 | - | **4.72** | 0.45 |
| Corporate Bonds | 503.02 | - | **503.02** | 47.77 |
| LIC Scheme | **-** | **528.49** | **528.49** | **50.19** |
| **Fixed Deposit** | - | - | **-** | - |
| **Cash and Cash Equivalents** | - | 0.07 | **0.07** | 0.01 |
| **Accrued Interest** | **16.74** | **-** | **16.74** | **1.59** |
| **Total** | **524.48** | **528.56** | **1053.04** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2020 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 4.72 | - | **4.72** | 0.48 |
| Corporate Bonds | 716.27 | - | **716.27** | 72.55 |
| LIC Scheme | **-** | **247.18** | **247.18** | **25.04** |
| **Fixed Deposit** | - | 0.41 | **0.41** | 0.04 |
| **Cash and Cash Equivalents** | - | 0.20 | **0.20** | 0.02 |
| **Accrued Interest** | **18.48** | **-** | **18.48** | **1.87** |
| **Total** | **739.47** | **247.79** | **987.26** | **100.00** |

**(e) Risk Exposure:** Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Group is exposed to various risks as follow -

A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**(f) Defined benefit liability and employer contributions:** Funding levels are monitored on an annual basis and the current contribution rate is 30% of basic salary and dearness allowance. The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to defined-benefit plans for the year ending March 31, 2022 are ₹ **135.71 Crore**.

The weighted average duration of the defined benefit obligations is 10.39 Years (2019-2020 : 10.15 years).

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

**The expected maturity analysis of Provident Fund (NHPC Ltd. Employees Provident Fund)**

(₹ in Crore)

| Particulars | Between 0-1 years | Between 1-5 years | Between 5-10 years | Over 10 years | Total |
|---|---|---|---|---|---|
| 31.03.2021 | 534.56 | 929.62 | 585.02 | 1087.05 | 3136.24 |
| 31.03.2020 | 500.03 | 983.71 | 449.08 | 1,054.36 | 2,987.18 |

**The expected maturity analysis of Gratuity (NHPC Ltd. Employees Group Gratuity Assurance Fund), Post employment Medical Benefits (NHPC Ltd. Retired Employees Health Scheme Trust), Allowances on Retirement/Death and Memento.**

(₹ in Crore)

| Particulars | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **31.03.2021** | | | | | |
| Gratuity | 91.42 | 75.67 | 142.34 | 322.34 | 631.77 |
| Post-employment Medical Benefits (REHS) | 35.06 | 41.26 | 148.20 | 708.13 | 932.65 |
| Allowances on Retirement/Death | 0.61 | 0.56 | 1.15 | 3.73 | 6.05 |
| Memento to employees on attaining the age of superannuation | 0.48 | 0.40 | 0.73 | 1.59 | 3.20 |
| **TOTAL** | **127.57** | **117.89** | **292.42** | **1,035.79** | **1,573.67** |
| **31.03.2020** | | | | | |
| Gratuity | 97.79 | 84.87 | 169.85 | 318.43 | 670.94 |
| Post-employment Medical Benefits (REHS) | 30.06 | 38.97 | 136.15 | 647.00 | 852.18 |
| Allowances on Retirement/Death | 0.62 | 0.59 | 1.30 | 3.54 | 6.05 |
| Memento to employees on attaining the age of superannuation | 0.52 | 0.46 | 0.89 | 1.59 | 3.46 |
| **TOTAL** | **128.99** | **124.89** | **308.19** | **970.56** | **1,532.63** |

**(C) Other long-term employee benefits (Leave Benefit):** The Group provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. Earned Leave (EL) is also encashable while in service. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be fulfilled by half pay leave to that extent. The liability for the same is recognised on the basis of actuarial valuation. The expenses recognised during the year on the basis of actuarial valuation are ₹ **68.46 Crore** (31st March 2020 : ₹ **108.81 Crore**)

**13.** Particulars of income and expenditure in foreign currency and consumption of spares are as under:-

(₹ in Crore)

| Sl. No | Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|---|
| a) | Expenditure in Foreign Currency | | |
| | i) Interest | 26.50 | 25.29 |
| | ii) Other Misc. Matters | 5.26 | 81.53 |
| b) | Value of spare parts and Components consumed in operating units. | | |
| | i) Imported | - | - |
| | ii) Indigenous | 22.96 | 21.40 |

**14. Earnings Per Share:**

a) The Earnings Per Share (Basic and Diluted) are as under:

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Earnings per Share before Regulatory Income (₹) – Basic and Diluted | 3.03 | 3.46 |
| Earnings per Share after Regulatory Income (₹) – Basic and Diluted | 3.24 | 2.87 |
| Par value per share (₹) | 10 | 10 |

b) Reconciliation of Earning used in calculating Earnings Per Share:

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Net Profit after Tax but before Regulatory Income used as numerator (₹ in Crore) | 3039.65 | 3475.13 |
| Net Profit after Tax and Regulatory Income used as numerator (₹ in Crore) | 3257.00 | 2884.92 |

c) Reconciliation of weighted average number of shares used as denominator :

| Particulars | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Weighted Average number of equity shares used as denominator | 10045034805 | 10045034805 |

**15. Disclosure as per Schedule-III of Companies Act,2013 :**

(₹ in Crore)

| Name of the entities in the Group | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Parent** | | | | | | | | |
| **NHPC** | | | | | | | | |
| 31.03.2021 | 78.03 | 28022.85 | 82.28 | 2947.10 | 95.62 | 7.20 | 82.31 | 2954.30 |
| 31.03.2020 | 79.20 | 27047.22 | 75.22 | 2515.70 | 24.70 | (0.62) | 75.26 | 2515.08 |

| Name of the entities in the Group | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Subsidiaries** | | | | | | | | |
| **NHDC** | | | | | | | | |
| 31.03.2021 | 6.60 | 2369.33 | 8.82 | 315.70 | 2.26 | 0.17 | 8.81 | 315.87 |
| 31.03.2020 | 6.85 | 2338.91 | 10.95 | 366.37 | 38.25 | (0.96) | 10.93 | 365.41 |
| **Loktak Downstream Hydroelectric Corporation Ltd. (LDHC Ltd.)** | | | | | | | | |
| 31.03.2021 | 0.30 | 108.58 | - | - | - | - | - | - |
| 31.03.2020 | 0.29 | 99.86 | 0.01 | 0.07 | - | - | 0.01 | 0.07 |
| **Bundelkhand Saur Urja Ltd. (BSUL)** | | | | | | | | |
| 31.03.2021 | 0.12 | 43.33 | (0.01) | (0.10) | - | - | (0.01) | (0.10) |
| 31.03.2020 | 0.01 | 3.69 | (0.01) | (0.19) | - | - | (0.01) | (0.19) |
| **Lanco Teesta Hydro Power Limited (LTHPL)** | | | | | | | | |
| 31.03.2021 | 2.87 | 1031.16 | (0.01) | (0.21) | - | - | (0.01) | (0.21) |
| 31.03.2020 | 2.80 | 957.72 | (0.01) | (0.06) | - | - | (0.01) | (0.06) |
| **Jal Power Corporation Limited (JPCL)** | | | | | | | | |
| 31.03.2021 | 0.52 | 188.15 | - | - | - | - | - | - |
| 31.03.2020 | - | - | - | - | - | - | - | - |
| **Non-controlling Interests in all subsidiaries** | | | | | | | | |
| 31.03.2021 | 7.87 | 2828.40 | 9.08 | 325.13 | 2.12 | 0.16 | 9.06 | 325.29 |
| 31.03.2020 | 8.12 | 2773.76 | 13.75 | 459.98 | 36.65 | (0.92) | 13.73 | 459.06 |
| **Joint Ventures (Investments as per the equity method)** | | | | | | | | |
| **National High Power Test Laboratory Private Limited (NHPTL)** | | | | | | | | |
| 31.03.2021 | 0.05 | 18.22 | (0.11) | (3.85) | - | - | (0.11) | (3.85) |
| 31.03.2020 | 0.06 | 22.06 | (0.12) | (4.01) | 0.40 | (0.01) | (0.12) | (4.02) |
| **Chenab Valley Power Projects (P) Ltd. (CVPPPL)** | | | | | | | | |
| 31.03.2021 | 3.64 | 1308.67 | (0.05) | (1.64) | - | - | (0.05) | (1.64) |
| 31.03.2020 | 2.67 | 911.46 | 0.21 | 7.05 | - | - | 0.21 | 7.05 |
| **TOTAL** | | | | | | | | |
| **31.03.2021** | **100.00** | **35918.69** | **100.00** | **3582.13** | **100.00** | **7.53** | **100.00** | **3589.66** |
| **31.03.2020** | **100.00** | **34154.68** | **100.00** | **3344.91** | **100.00** | **(2.51)** | **100.00** | **3342.40** |

## 16. Commitments and contingent liabilities in respect of Joint Ventures:

(₹ in Crore)

| | Particulars | 31.03.2021 | 31.03.2020 |
|---|---|---|---|
| A | Contingent Liabilities | 75.82 | 43.88 |
| B | Capital Commitments | 5,192.83 | 3840.00 |

## 17. Disclosure related to Confirmation of Balances is as under :

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, loans (other than employees), advances for Capital expenditure, Trade Receivable, Advances to Contractors, Trade Payable and Deposits/Earnest money from contractors other than as given at (b) below are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.

(b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, loans (other than employees), Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors have been sought for outstanding balances of ₹ **0.05 Crore** or above in respect of each party as at 31st December, 2020. Status of confirmation of balances as at December 31, 2020 as well as amount outstanding as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars | Outstanding amount as on 31.12.2020 | Amount confirmed | Outstanding amount as on 31.03.2021 |
|---|---|---|---|
| Trade receivable (including interest receivable from Beneficiaries) | 4476.24 | 2989.73 | 3551.29 |
| Deposits, Loans, Advances to contractors/ suppliers /service providers/ others including for capital expenditure and material issued to contractors | 2247.84 | 696.36 | 2373.13 |
| Trade/Other payables | 511.88 | 64.76 | 684.40 |
| Security Deposit/Retention Money payable | 335.39 | 28.17 | 384.28 |

(c) In the opinion of the management, unconfirmed balances will not require any adjustment having any material impact on the Financial Statements of the Company.

**18. Disclosures regarding leases as per IND AS -116 "Leases":**

**A) Group as Lessee:**

**(i) Treatment of Leases as per Ind AS 116 :**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has applied the following practical expedients on initial application of Ind AS 116:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.

d) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

e) The weighted average incremental borrowing rate applied to leases recognised during FY 2020-21 is 6.83%.

**(ii) Nature of lease:** The Group's significant leasing arrangements are in respect of the following assets:

(a) Premises under cancellable lease arrangements for residential use of employees ranging from 3-4 months to three years.

(b) Premises for offices, guest houses and transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(c) Land obtained on lease for construction of projects and / or administrative offices.

(d) Vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable.

(iii) Amount recognised in the Statement of Profit and Loss / Expenditure Attributable to Construction in respect of short term, low value and variable lease during the year ended 31.03.2021:

(₹ in Crore)

| Sl. No | Particulars | 31.03.2021 | 31.03.2020 |
|---|---|---|---|
| 1 | Expenditure on short-term leases | 15.52 | 16.91 |
| 2 | Expenditure on lease of low-value assets | 0.02 | 0.14 |
| 3 | Variable lease payments not included in the measurement of lease liabilities | 4.67 | 9.27 |

(iv) Commitment for Short Term Leases as on 31.03.2021 is ₹ **3.72 Crore** (Previous Year ₹ **4.30 Crore**).

(v) Movement in lease liabilities during the year:

(₹ in Crore)

| Particulars | 31.03.2021 | 31.03.2020 |
|---|---|---|
| Opening Balance | 16.48 | 16.22 |
| Additions in lease liabilities | 3.00 | 3.97 |
| Finance cost accrued during the year | 1.35 | 1.33 |
| Less: Payment of lease liabilities | 5.72 | 5.04 |
| **Closing Balance** | **15.11** | **16.48** |

**B) Finance Lease – Group as Lessor**

The Group has entered into lease arrangement with a single beneficiary, Power Development Department, Jammu & Kashmir for sale of the entire power generated by two power stations, namely Nimmo Bazgo and Chutak Power Stations and Madhya Pradesh Power Management Group for sale of the entire power generated by two power stations namely Indira Sagar and Omkareshwar Power stations for the substantial period of the expected life of these Power Stations. Under the agreements, the customer is obliged to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). Other financial assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the embedded finance lease arrangements entered into by the Group.

The Group has earned "Income from Finance Lease" of ₹ **724.62** Crore during the year (previous year ₹ **755.82 Crore**)

**The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as at 31.03.2021**

(₹ in Crore)

| Particulars | 31.03.2021 | 31.03.2020 |
|---|---|---|
| **undiscounted lease payments receivable:** | | |
| Less than one year | 831.22 | 840.69 |
| One to two years | 819.27 | 828.48 |
| Two to three years | 804.75 | 816.60 |

| Particulars | 31.03.2021 | 31.03.2020 |
|---|---|---|
| Three to four years | 792.15 | 802.15 |
| Four to five years | 741.15 | 789.62 |
| More than five years | 14,312.02 | 15,018.81 |
| **Total undiscounted lease payments receivable** | **18,300.56** | **19,096.35** |
| Add: Unguaranteed residual value | 611.37 | 609.49 |
| Less: Unearned finance income | 13,787.33 | 14,476.61 |
| **Net investment in the lease** | **5,124.60** | **5,229.23** |
| Discounted unguaranteed residual value included in net investment in lease | 14.82 | 12.75 |

**Significant changes in the carrying amount of the net investment in finance leases**

(₹ in Crore)

| Particulars | 31.03.2021 | 31.03.2020 |
|---|---|---|
| Opening Balances | 5,229.23 | 5,569.27 |
| Additions during the year | 40.36 | 22.79 |
| Income from Finance Lease for the year | 724.62 | 755.82 |
| Less: Amount received during the year | 869.61 | 1,118.65 |
| **Closing Balances** | **5,124.60** | **5,229.23** |

**(ii) Teesta Low Dam-III (TLDP-III) Power Station as Finance Lease**

Power Purchase Agreement (PPA) in respect of TLDP-III executed with M/s WBSEDCL (single beneficiary) was for a period of 5 years from date of commissioning valid till 31st March, 2019 and was designated as an operating lease as per Appendix-C of Ind AS 17- Leases then applicable.

During the year, the Group has entered into a supplementary PPA with M/s WBSEDCL for offtake of the entire power generated by TLDP-III Power Station for its balance useful life of 35 years on mutually agreed tariff. The supplementary PPA, whose effective date is 1st April, 2019 has been approved by the Board of Directors of both the parties and has been submitted with the respective Electricity Regulatory Commissions (CERC in the case of NHPC and WBERC in the case of WBSEDCL) for approval. Pending approval by the regulatory authorities, billing for power is being done at the rates agreed upon in the supplementary PPA.

The Company has assessed that the supplementary PPA is in the nature of a Finance Lease as per Ind AS 116- Leases. Accordingly, the net impact on profit of ₹ **17.27 Crore** on account of this has been recognised as Income from Finance Lease in the Statement of Profit and Loss during the current financial year. The aggregate amount of income from finance lease in respect of the Power Station for FY 2020-21 is ₹ **174.46 Crore** (including ₹ **17.27 Crore** as above) as against income from operating lease of ₹ **342.43 Crore** during FY 2019-20.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as at 31st March 2021:

(₹ in Crore)

| Particulars | 31.03.2021 |
|---|---|
| **undiscounted lease payments receivable:** | |
| Less than one year | 198.79 |
| One to two years | 204.19 |
| Two to three years | 208.77 |
| Three to four years | 203.13 |
| Four to five years | 197.19 |
| More than five years | 2,823.79 |
| **Total undiscounted lease payments receivable** | **3,835.86** |

| Particulars | 31.03.2021 |
|---|---|
| Add: unguaranteed residual value | 192.45 |
| Less: Unearned finance income | 2,737.36 |
| **Net investment in the lease** | **1,290.95** |
| Discounted unguaranteed residual value included in the net investment in lease | 3.91 |

**C) Operating Lease – Group as Lessor :**

The Group has entered into operating lease arrangement with West Bengal State Electricity Board for sale of power from TLDP-IV power station for a period of 5 years and with Jodhpur Vidyut Vitran Nigam Ltd. for sale of power from Wind Power Project, Jaisalmer for a period of 3 years. Under the agreements, the customer is obliged to purchase the output at prices determined by the Central Electricity Regulatory Commission.

The Group has earned "Income from Operating Lease" for the year of ₹ **712.00 Crore** during the year (previous year ₹ **324.14 Crore** (also refer B (ii) above)).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the end of the financial year 31.03.2021 in respect of TLDP-IV Power Station till the date of Power purchase agreement:

(₹ in Crore)

| Particulars | 31.03.2021 | 31.03.2020 |
|---|---|---|
| Less than one year | - | 198.05 |
| One to two years | - | - |
| Two to three years | - | - |
| Three to four years | - | - |
| Four to five years | - | - |
| More than five years | - | - |
| **Total** | **-** | **198.05** |

**19.** As per Ind AS 36- *Impairment of Assets* requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each of the Project / Power Station of the Group is the smallest identifiable group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets and accordingly qualifies to be designated as a Cash Generating Unit (CGU). Impairment indicators applicable to these CGUs have been assessed and based on such assessment, Management is of the opinion that no significant change with an adverse effect on the Group has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the Group operate. This includes the regulations notified by CERC for the tariff period 2019-24 where there are no major amendments that can have a significantly adverse impact on the future cash flow from the CGUs. There is no evidence available from internal reporting that indicates that the economic performance of a CGU is, or will be, worse than expected.

Further, eight CGUs of the Group were assessed for impairment as on 31st March, 2021. The CGUs of the Group were selected based on criteria like capital cost per MW, tariff, etc. and include two major construction projects of the Company and the four most recently commissioned Power Stations over 100 MW capacity. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment.

The impairment analyses were carried out on the basis of value-in-use calculation by measuring the recoverable amount of the CGUs as per cash flow projections based on the applicable CERC Tariff Regulations adjusted for the risks specific to each CGU and a pre-tax discount rate arrived at on the basis of the Capital Asset Pricing Model that reflects market assessments of the time value of money.

Based on the assessment, there exists no significant indicator that would suggest an impairment of the carrying amounts of the CGUs including Regulatory Deferral Account Balances of the Group during FY 2020-21. Further, there exists no impairment in respect of the Projects / Power Stations of the Group during FY 2020-21.

**20.** As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deducted from free power to the State Government, there would not be any impact on the profit of the Group.

**21.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

**22.** Nature and details of provisions (refer Note No. 17 and 22)

**(i) General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

**(ii) Provision for employee benefits (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 12 of Note No. 34):**

**a) Provision for Performance Related Pay/Incentive:**

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees on the basis of Management estimates as per Group's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

**b) Provision For Wage Revision as per 3rd Pay Revision Committee (PRC):**

Short term provision for wage revision of the employees of the company was recognised earlier as per notification of the Department of Public Enterprises, Government of India.

**(iii) Other Provisions:**

**a) Provision For Tariff Adjustment:**

Provision for tariff adjustment is made on estimated basis against probable refund to beneficiaries on reassessment of tariff billed, pending approval of Tariff/truing up for the Year 2014-19/2019-24 by Central Electricity Regulatory Commission (CERC)..

**b) Provision for Livelihood Assistance:**

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. (As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/Central Government whichever is higher, on monthly instalment basis, for the Years as under:)

i) Till the date of superannuation for PAFs eligible for employment.

ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.

iii) For 1000 days to all remaining PAFs.

**c) Provision for Committed Capital Expenditure:**

Provision has been recognised at discounted value in case of non- current amount for Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

**d) Provision for restoration expenses of insured assets:**

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega and Construction Plant and Machinery Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

**e) Provisions for expenditure in respect of Arbitration Award/Court cases:**

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

**f) Provisions- Others: This includes provisions towards:-**

(i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.

(ii) Wage revision of Central Government Employees whose services are utilised by the Group.

(iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.

(iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.

(v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

**23. Disclosures relating to creation of Regulatory Deferral Account (RDA)balances as per Ind AS 114:**

The Group is principally engaged in the construction and operation of hydroelectric power projects. The price (tariff) to be charged by the Group for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation and maintenance charges plus a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.

For the purpose, the Group is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto the date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation results in creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. Guidance Note on Accounting for Rate Regulated Activities (Previous GAAP) issued by the ICAI is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognized when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

The guidance note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognized as expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the Previous GAAP.

**A) Regulatory Deferral Account balances in respect of Subansiri Lower Project:**

Construction activities at site of Subansiri Lower Project were interrupted w.e.f. 16.12.2011 and the matter was pending before National Green Tribunal. Technical and administrative work at the project was however continued.

Vide order dated 31st July 2019, the Hon'ble NGT has held that there is no justification in the petitions of the applicants pleading bias in the constitution of the Expert Committee by the MoEF & CC and accordingly, the cases against Subansiri Lower Project pending with the NGT have been dismissed. Active construction work at the project has been resumed from October-2019.

In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ **2735.61 Crore** (upto Previous year ₹ **2735.61 Crore**), employee benefits expense, depreciation and other expense of ₹ **1427.67 Crore** (upto Previous year ₹ **1427.67 Crore**), net of other income of ₹ **322.60 Crore** (upto Previous year ₹ **322.60 Crore**) incurred till 30th September 2019 has been charged to the Statement of Profit and Loss.

As active construction work at the project has been resumed during FY 2019-20, borrowing cost, employee benefits expense, depreciation and other expense (net of other income) incurred with effect from 01.10.2019 has been capitalized as Expenditure attributable to Construction.

During financial year 2014-15, the Group had adopted the accounting as per Guidance Note on Rate Regulated Activities issued by the ICAI which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be recovered from the beneficiaries in future through tariff.

Since Ind AS 114 'Regulatory Deferral Accounts' allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances and recognizes the Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' as the previous GAAP, the Group has continued with the accounting policy for regulatory deferral account balances.

The total Regulatory Deferral Account Debit balances recognised in respect of Subansiri Lower Project for and upto the year ended 31.03.2021 are as follows:

(₹ in Crore)

| Regulatory asset created in relation to: | Upto 31.03.2021 |
|---|---|
| Borrowing Costs | 2509.67 |
| Employee Benefit expense | 628.73 |
| Depreciation and Amortisation | 54.86 |
| Other Expense | 562.83 |
| Other Income | (285.50) |
| **Total** | **3470.59** |

Further, no regulatory deferral account balances has been recognized during the year 2020-21.

As per management assessment, there is no impairment in the carrying amount of ₹ **8410.41 Crore** included under Capital Work in Progress of the Project including the regulatory deferral account balances recognized therein.

After Commercial Operation Date (COD) of the Project, amount recognized as Regulatory Deferral Account balances in respect of Subansiri Lower Project shall be amortized/ liquidated in proportion to depreciation following the rates and methodology notified under CERC Tariff Regulations over the life of the Project, i.e. 40 years.

Tariff Regulations for the period 2019-2024 have been notified by the CERC. In addition to the existing Tariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo as per Tariff Regulations 2014-19, the new regulations also include delay in obtaining statutory approval for projects as one of the force majeure events. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of Subansiri Lower Project.

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower Project are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of depreciation through tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term Power Purchase Agreements (PPAs), at the rate covering the cost and required return ensuring the viability of the Project.

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating Group but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

**B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):**

Pay of employees of CPSUs including Central Govt. Employees under IDA pay scale have been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹ **0.10 Crore** to ₹ **0.20 Crore** with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations including employees of Kendriya Vidyalaya and CISF Personnel is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner Group as on 31.12.2006 from the beneficiaries in twelve equal monthly installments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", additional expenditure on employee benefits (including employees of Kendriya Vidyalaya and CISF Personnel) due to revision of pay/ gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income till 31st March 2019, have been recognized as 'Regulatory Deferral Account balances'. These balances shall be recovered by way of billing to beneficiaries once the petition filed with CERC in this regard is approved.

As opposed to tariff period 2014-19 where RDA balances of pay revision had been created based on the expectation that CERC would allow the same in tariff in line with that allowed earlier for pay revision during FY 2009, tariff regulation 2019-24 specifically allows for recovery of additional expenditure on account of pay revision.

Accordingly, additional expenditure due to 3rd PRC for FY 2020-21 amounting to ₹ **231.16 Crore** (Previous Year ₹ **221.38 Crore**) has been recognised as "Unbilled Revenue", while ₹ **670.93 Crore** on account of additional expenditure till 31.03.2019 continues to be presented as RDA debit balance.

The total RDA Debit balances recognised till 31.03.2021 in the financial statement are as under:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **670.93** |
| B | Addition during the year (+) | - |
| C | Amount collected during the year (-) | - |
| D | **Regulatory income recognized in the Statement of Profit and Loss (B+C)** | **-** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **670.93** |

Recoverability of the Regulatory Deferral Account balances on account of Pay Revision of Employees is however, subject to Regulatory Risk since such expenditures are generally allowed by the CERC after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries. The Group expects to recover the carrying amount of Regulatory Deferral Account balances in respect of 3rd pay revision during the current CERC Regulation 2019-24 periods.

**C) Regulatory Deferral Account balances due to moderation of tariff of Kishanganga Power Station:**

As per CERC Tariff Regulations 2014-19/2019-24, depreciation on capital cost of a Power Station forms one of the components of tariff. Depreciation is charged in the books as per the rates provided in the Tariff Regulations 2014-19/2019-24 in the initial operating period of 12 years and thereafter the balance depreciation is spread over equally in the remaining 23/28 years so as to recover 90 percent of the capital cost of the Power Station by way of depreciation. As per Tariff regulations 2019-24, the operating life of a hydro-power station is 40 years.

As per CERC Tariff Regulations, 2019-24, tariff for sale of electricity by the generating Group may also be determined in deviation of the norms specified in the Regulations provided the levelised tariff over the useful life of the project on the basis of the norms in deviation does not exceed the levelised tariff calculated on the basis of the norms specified in the Regulations. Similar provisions exist in the Tariff Regulations for the period 2019-2024 notified by the CERC.

In the case of Kishanganga Power Station (Commercial Operation Date: 17th May, 2018), the Group has made moderation in tariff of Kishanganga Power Station by fixing lower tariff in the initial ten years and then fixing higher tariff in the remaining 25 years by way of charging 1.5% depreciation from the 1st to the 10th year and 2.5% depreciation from 11th to the 40th year, thus aggregating 90 percent of the Capital Cost of the Power Station. This moderation, with the intent to reduce tariff in the initial years of operation, has been duly approved by the CERC.

Moderation of depreciation rates for tariff determination in Kishanganga Power Station gives rise to a significant mismatch by way of higher depreciation charged in the books (as per CERC Tariff Regulations, 2019-24) during the first 12 years of commercial operation and recovery by way of tariff as per Tariff Order of the Power Station approved by the CERC. The lower recovery during the first 12 years would, however, be compensated over the balance period of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", difference between depreciation charged to the Statement of Profit and Loss as per Tariff Regulations 2019-24 and the depreciation allowed by way of tariff and which is recoverable from the beneficiaries in subsequent periods is being recognized as 'Regulatory Deferral Account balances' with effect from Commercial Operation Date of the Power Station. RDA balances created during the first 12 years of commercial operation life shall be recovered from beneficiaries by way of higher depreciation as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 28 years.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **367.60** |
| B | Addition during the year (assets (+)/ liability (-)) | 195.51 |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **195.51** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **563.11** |

The Group has long term Power Purchase Agreements in respect of Kishanganga Power Station. Since the proposal for moderation of tariff already stands approved by the CERC, the Group does not envisage any significant risk as regards recoverability of the Regulatory Deferral Account balances created in respect of Kishanganga Power Station.

However, as depreciation charge in the books and recovery thereof through tariff are dependent on the Capital Cost of the Power Station as allowed by CERC, recovery of the regulatory deferral account balances in respect of Kishanganga Power Station would be subject to Regulatory Risk. Approval of actual capital expenditure on the Power Station including expenditure on account of time and cost overruns etc. are subject to prudence check by the CERC. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

**D) Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items:**

As per Ind AS 23- "Borrowing Costs", borrowing cost on foreign currency loans to the extent treated as an adjustment to interest costs is allowed to be capitalised during construction period. Further, Ind AS 21-"The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on settlement or translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in the Profit and Loss in the period in which they arise.

Para D13AA of Ind AS 101- "First Time Adoption of Ind AS" provides that a first-time adopter may continue the existing accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss.

As per the CERC Tariff Regulations 2014-19, any gain or loss on account of exchange risk variation shall be recoverable as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during Operation and Maintenance (O&M) period. Further, CERC in past tariff orders has allowed exchange differences incurred during the construction period as a part of capital cost.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, exchange differences arising on translation/ settlement of foreign currency monetary items to the extent charged to the Statement of Profit and Loss are being recognized as 'Regulatory Deferral Account balances' with effect from 01.04.2016. These balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries after Commercial Operation Date (COD) of the Project.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **0.02** |
| B | Addition during the year (assets (+)/ liability (-)) | 1.70 |
| C | Amount collected (-)/refunded (+) during the year | 0 |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **1.70** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **1.72** |

Tariff Regulations for the period 2019-2024 have been notified by the CERC. Regulations regarding recoverability of Foreign Exchange rate Variation (FERV) as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during O&M period of a Power Station as per Tariff Regulations 2014-19 have been continued for the tariff period 2019-24 also. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of exchange differences on Foreign Currency Monetary items.

Recoverability of the Regulatory Deferral account balances is however, subject to Demand Risk since recovery/payment of the regulatory deferral debit/credit balance shall be by way of billing to the beneficiaries. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term PPAs, etc.

**E) Regulatory Deferral Account balances on account of deferred tax recoverable from beneficiaries:**

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff period 2014-19, deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid. Till 31st March, 2018 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as RDA.

The practice was reviewed based on an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of the ICAI) obtained during FY 2018-19. Such deferral account balance which as per EAC of ICAI is not a deductible temporary difference resulting into deferred tax asset under Ind AS 12 but rather fulfils the definition of regulatory deferral account balance in terms of Ind AS 114.

Accordingly, the Group has reclassified the deferred tax recoverable upto 2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 earlier presented as an adjustment to Deferred Tax Liability, as Regulatory Deferral Account balance.

As per Tariff Regulations 2019-24 notified by the CERC, there is no change in mode of recovery of current tax and deferred tax as provided in the earlier Tariff Regulations 2014-19.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

**Movement of Regulatory Deferral Account Debit Balances:**

**(i) In respect of deferred tax recoverable for tariff period upto 2009:**

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **1790.61** |
| B | Addition during the year (assets (+)/ liability (-)) | - |
| C | Amount collected (-)/refunded (+) during the year | 75.46 |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **(75.46)** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **1715.15** |

**(ii) In respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19 and onwards):**

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **837.09** |
| B | Addition during the year (assets (+)/ liability (-)) | 6.28 |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **6.28** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **843.37** |

**Movement of Regulatory Deferral Account Credit Balances:**

**(i) In respect of deferred tax adjustment against deferred tax assets (towards MAT Credit):**

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Credit Balances |
|---|---|---|
| A | Opening balance as on 01.04.2020 | **747.92** |
| B | Addition during the year (assets (+)/ liability (-)) | 45.21 |
| C | Amount collected (-)/refunded (+) during the year | 35.47 |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **9.74** |
| E | **Closing balance as on 31.03.2021 (A+D)** | **757.66** |

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable upto tariff period 2004-2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 are dependent upon the future operating performance of the Group. Further, since these Regulatory Deferral Account balances relate to past tariff periods, recoverability is also subject to the regulatory risk of CERC allowing recovery of such balances in future tariff regulations.

**F) Regulatory Deferral Account balances on account of Borrowing and other Cost incurred during Covid-19 Lock down period:**

Para 20 of Ind AS 23- Borrowing Cost stipulates that an entity shall suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

Due to outbreak of Covid-19 pandemic, Ministry of Home Affair vide order dated 24th March 2020 imposed a nationwide lockdown to prevent the spread of Covid-19 in the country which was extended from time to time.

During the initial period of lockdown, there was a temporary suspension of major construction activities from 23rd March, 2020 to 20th April, 2020 at Parbati-II Project and from 23rd March 2020 to 23rd April, 2020 at Subansiri Lower Project.

Tariff Regulations for the period 2019-2024 notified by the CERC allows capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events. Accordingly, borrowing and other administrative costs incurred at these projects during the period of temporary suspension of work due to lockdown on account of Covid-19 have been recognised as regulatory deferral account balances as under:

(₹ in Crore)

| Regulatory asset created in relation to | During the year ended 31.03.2021 |
|---|---|
| Borrowing Costs | 78.10 |
| Employee Benefit expense | 15.35 |
| Depreciation | 1.47 |
| Other Expense | 6.10 |
| Other Income | (1.96) |
| **TOTAL** | **99.06** |

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower and Parbati-II Projects are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long-term Power Purchase Agreements (PPAs), at the rate covering the cost and required return ensuring the viability of the Project.

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating company but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

**24 (i)** Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, was restored during the months of June, July and August 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received net of refund | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2021 | As at 31st March, 2020 |
| Business Interruption Loss | 202.98 | 74.01 | - | 128.97* | 128.97 |

* Included in Contingent Assets in Para 3 (d) to Note no. 34.

# Income recognised in respect of Business Interruption Loss during the year is NIL (Cumulative as on date is ₹ **74.01**.

**(ii)** Chamera-II Power Station, where a major fault occurred in generator stator of Unit#1 and Unit #2 on 07.08.2019. Restoration of the generating units is expected to be completed with in a period of 12 months from the date of incident. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2021 | As at 31st March, 2020 |
| Against material damage | 34.22 | 14.49 | 6.00 | 13.73 | 27.23 |
| Business Interruption Loss | - | - | - | - | 81.08* |
| **Total** | **34.22** | **14.49** | **6.00** | **13.73** | **108.31** |

* Included in Contingent Assets in Para 3 (d) to Note no. 34. Claim lodged in respect of business interruption loss of ₹ 81.08 Crore during FY 2019-20 has been rejected by the Insurance Company during FY 2020-21.

**(iii)** Sewa-II Power Station, where Head Race Tunnel (HRT) was damaged on September 25, 2020 due to land slide. Presently the Power Station is under complete shut down and restoration work is in progress. (The Assets of the power station and loss of generation are covered under Mega Risk Policy. In view of the Management, no material impact is envisaged on the financial performance of the Group. Status of Insurance claim as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2021 | As at 31st March, 2020 |
| Against material damage | 40.00 | - | 2.00 | 38.00 | - |
| Business Interruption Loss | 274.60 | - | - | 274.60* | - |
| **Total** | **314.60** | **-** | **2.00** | **312.60** | **-** |

* Included in Contingent Assets in Para 3 (d) to Note no. 34.

**(iv)** The Assets of all power stations and loss of generation are covered under Mega Risk Policy. Status of Insurance claim in respect of power stations (other than major claims of Uri-II, Chamera-II and Sewa II) disclosed at para 24 (i), (ii) and (iii) above as on 31.03.2021 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2021 | As at 31st March, 2020 |
| Against material damage | 68.67 | 14.03 | 23.63 | 31.01 | 15.13 |
| Business Interruption Loss | 14.00 | - | - | 14.00* | - |

* Included in Contingent Assets in Para 3 (d) to Note no. 34.

**25.** As per deliberations of the Board of Directors in its meeting held on 20.03.2014, the viability of Bursar HE Project is dependent upon financial support from Government of India and Government of Jammu & Kashmir. Ministry of Power (MOP), Government of India was approached to provide funding for Survey and Investigation of **Bursar Project** to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it was informed by the representatives of MoWR that the request of the company for release of funds for preparation of DPR is under consideration for approval of Government of India. Detailed Project Report (DPR) of the project was submitted to CEA and expenditure of ₹ **226.78 Crore** (previous year ₹ **226.78 Crore**) incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision made in earlier years in this respect has been continued in the books of accounts.

**26.** Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects are three of the 24 hydro-electric projects located in the State of Uttarakhand which are covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant environmental/forest clearance to these projects until further order and to examine the significant impact on the bio-diversity of Alaknanda and Bhagirathi river basin. Pending adjudication about the fate of these projects, the expenditure incurred upto 31.03.2020 amounting to ₹ **274.35 Crore** (previous year ₹ **265.94 Crore**), ₹ **42.95 Crore** (previous year ₹ **42.95 Crore**) and ₹ **51.42 Crore** (previous year ₹ **51.42 Crore**) have been carried forward as Capital Work in Progress in respect of Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects respectively. However, as an abundant precaution, provision for these amounts totalling ₹ **368.72 Crore** (previous year ₹ **360.31 Crore**) up to 31.03.2021 has been made in the books of accounts.

**27.** Expenditure incurred on Tawang Stage-I and Stage-II Hydroelectric Projects amounting to ₹ **233.68 Crore** (previous year ₹ **225.23 Crore**) has been carried forward as Capital Work in Progress. However, considering delay in receipt of clearances, difficulty in acquisition of land and overall uncertainties associated with these projects, provision for expenditure incurred in these projects upto 31.03.2021 amounting to ₹ **233.68 Crore** (previous year ₹ **97.57 Crore**) has been made in the accounts as an abundant precaution.

**28.** **a)** Implementation of Dhauliganga Intermediate, Chungar Chal and Kharmoli Lumti Tulli Hydroelectric Projects has been temporarily put on hold. Pending final decision to hand over these projects to the Government of Uttarakhand, the expenditure incurred upto 31.03.2021 amounting to ₹ **35.70 Crore** (previous year ₹ **35.70 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.70 Crore** (previous year ₹ **35.70 Crore**) has been made in the books of accounts.

**b)** Measures to reduce capital cost and optimise tariff of Goriganga IIIA Project are being explored. Pending decision on the same, the expenditure incurred upto 31.03.2021 amounting to ₹ **46.18 Crore** (previous year ₹ **46.08 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.18 Crore** (previous year ₹ **46.08 Crore**) has been made in the books of accounts.

**29. Disclosure regarding Capital Expenditure (CAPEX) incurred:**

Capital Expenditure (CAPEX) is the expenditure incurred towards acquisition/ addition of any asset which form part of Fixes Assets (Property, Plant and Equipment, Capital Work in Progress, Intangible Assets etc.). Detail of cash expenditure incurred by the Group towards CAPEX is as under:

(₹ In Crore)

| S. No. | Capex Incurred by | Name of Company | For the Period ended | |
|---|---|---|---|---|
| | | | 31.03.2021 | 31.03.2020 |
| 1 | NHPC (Standalone Basis) | NHPC | 2,570.12 | 3,173.86 |
| 2 | Subsidiary Company | NHDC | 41.71 | 57.58 |
| | | LDHCL | 5.19 | 4.85 |
| | | BSUL | 2.24 | 1.61 |
| | | LTHPL | 46.13 | 6.84 |
| 3 | Joint Venture Company | CVPPPL | 532.82 | 305.10 |
| | **Total** | | **3198.21** | **3549.84** |

**30. 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:**

(i) Joint Venture Companies:

(₹ in Crore)

| Name of Company | Outstanding Balances as at | | Maximum amount outstanding during the Year | |
|---|---|---|---|---|
| | 31.03.2021 | 31.03.2020 | 2020-21 | 2019-20 |
| National High Power Test Laboratory (P) Ltd. | 18.82 | 6.27 | 18.82 | 6.27 |

(ii) To Firms/companies in which directors are interested : NIL (Previous Year-NIL)

**B. Investment by the loanee (as detailed above) in the shares of NHPC : NIL (Previous Year- NIL)**

**31.** Quantitative details of Renewable Energy Certificates (RECs) in respect of renewable energy projects:

| Sl. No. | Description | Quantity (in Numbers) | |
|---|---|---|---|
| | | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
| 1 | RECs issued | - | 7042 |
| 2 | RECs under certification | - | - |
| 3 | RECs sold during the year | - | 7042 |

**32. Disclosure as per Ind AS 103 'Business Combinations':**

**<u>Acquisition during the year ended 31.03.2021</u>**

**Acquisition of Jal Power Corporation Limited ('JPCL'):** During the year, National Company Law Tribunal ('NCLT') approved the resolution plan submitted by the Company for acquisition of Jal Power Corporation Limited (JPCL) at a consideration of ₹ **165.00 Crore**. Pursuant to this order and on payment of the consideration amount of ₹ **165 Crore**, JPCL has become a wholly owned subsidiary of the Company with 100% voting equity interests with effect from 31st March, 2021.

(i) The Primary reasons for the acquisition:

a) Business development of the Company.

b) Achieve economies of scale and develop the project at a low cost due to vast in-house expertise and strong presence of the Company in the state of Sikkim.

(ii) Consideration transferred: The Group paid ₹ **165.00 Crore** as purchase consideration in cash for acquisition of Jal Power Corporation Limited.

(iii) **(a) Identifiable assets acquired and liabilities assumed:** The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition i.e. 31.03.2021:

(₹ in Crore)

| Particulars | Amount |
|---|---|
| **Assets** | |
| Property, Plant & Equipment | 3.17 |
| Capital Work in Progress | 182.72 |
| Right of Use Assets | 2.09 |
| Other Assets | 0.23 |
| Cash & Cash Equivalents | 0.10 |
| **Total Assets** | **188.31** |
| **Total Liabilities** | **0.16** |
| **Total Net Identifiable Assets Acquired** | **188.15** |
| **Less: Purchase Consideration** | **165.00** |
| **Capital Reserve** | **23.15** |

**(b) No Trade Receivables and Contingent Liabilities were acquired by the Group.**

(iv) **Purchase Consideration – Cash Outflow**

(₹ in Crore)

| Particulars | Amount |
|---|---|
| Cash consideration | 165.00 |
| Less: Cash and cash equivalents acquired | 0.10 |
| **Net outflow of cash – Investing activities** | **164.90** |

(v) **Capital Reserve:** The resolution plan submitted by NHPC Limited was ultimately approved by the Committee of Creditors of JPCL and thereafter approved by the National Company Law Tribunal. The Company has applied the requirement of Para 36A of Ind AS 103- Business Combination and reviewed the underlying reasons for classifying the business combination as a bargain purchase. As the disposal of the company was carried out under the Insolvency & Bankruptcy Code through an open bidding system as per the process laid down by law and there being no pre-existing relationship between the acquirer (NHPC) and the acquiree (JPCL), there is no clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Accordingly, the Group has recognised ₹ **23.15 Crore**, being the excess of fair value of net assets acquired over the consideration paid as Capital Reserve within 'Other Equity'.

(vi) **Acquisition related costs:** The group incurred acquisition-related costs of ₹ **0.05 Crore** on legal and professional fees. These costs have been included in "Other Expenses" in Statement of Profit and Loss and under operating activities in the Statement of Cash Flows.

(vii) **Revenue and profit contribution**

JPCL has become a wholly owned subsidiary of the Company with 100% voting equity interests with effect from 31st March, 2021. The Company contributed revenue of ₹ **NIL Crore** and Profit/ loss of ₹ **NIL Crore** to the group's result. Since the Company has not yet commenced operations, impact on revenue and profit before tax of the Group for the year 2020-21 had the acquisition occurred on 1st April 2020 is not ascertainable.

**Acquisition during the year ended 31.03.2020**

**Acquisition of Lanco Teesta Hydro Power Limited ('LTHPL'):** During the year 2019-20, National Company Law Tribunal ('NCLT') approved the resolution plan submitted by the Company for acquisition of Lanco Teesta Hydro Power Limited (LTHPL) at a consideration of ₹ **897.50 Crore**. Pursuant to this order and on payment of consideration amount, LTHPL has become a wholly owned subsidiary of the Company with 100% voting equity interests with effect from 9 October 2019.

(i) The Primary reasons for the acquisition:

a) Business development of the Company.

b) Enable cascade development of Teesta Basin.

c) Achieve economies of scale and develop the project at a low cost due to vast in-house expertise and strong presence of the Company in the state of Sikkim.

(ii) Consideration transferred: The Group paid ₹ **897.50 Crore** as purchase consideration in cash for acquisition of Lanco Teesta Hydro Power Limited.

(iii) **(a) Identifiable assets acquired and liabilities assumed:** The following table summarizes the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

(₹ in Crore)

| Particulars | Amount |
|---|---|
| Assets | |
| Property, Plant and Equipment | 2.70 |
| Capital Work in Progress | 919.00 |
| Right of Use Assets | 16.65 |
| Cash and Cash Equivalents | 0.08 |
| **Total Assets** | **938.43** |
| **Total Liabilities** | **NIL** |
| **Total Net Identifiable Assets Acquired** | **938.43** |
| **Less: Purchase Consideration** | **897.50** |
| **Capital Reserve** | **40.93** |

(b) **No Trade Receivables and Contingent Liabilities were acquired by the Group.**

(iv) **Purchase Consideration – Cash Outflow**

**(₹ in Crore)**

| Particulars | Amount |
|---|---|
| Cash consideration | 897.50 |
| Less: Cash and cash equivalents acquired | 0.08 |
| **Net outflow of cash – Investing activities** | **897.42** |

(v) **Capital Reserve:** The resolution plan submitted by NHPC Limited was ultimately approved by the Committee of Creditors of LTHPL and thereafter approved by the National Company Law Tribunal. The Company has applied the requirement of Para 36A of Ind AS 103- Business Combination and reviewed the underlying reasons for classifying the business combination as a bargain purchase. As the disposal of the company was carried out under the Insolvency & Bankruptcy Code through an open bidding system as per the process laid down by law and there being no pre-existing relationship between the acquirer (NHPC) and the acquiree (LTHPL), there is no clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Accordingly, the Group has recognised ₹ **40.93 Crore**, being the excess of fair value of net assets acquired over the consideration paid as Capital Reserve within 'Other Equity'.

(vi) **Acquisition related costs:** The group incurred acquisition-related costs of ₹ **0.51 Crore** on legal and professional fees. These costs was included in "Other Expenses" in Statement of Profit and Loss and in operating activities in statement of cash flows during FY 2019-20.

(vii) **Revenue and profit contribution**

For the period from 9 October 2019 to 31 March 2020, acquisition of Lanco Teesta Hydro Power Limited contributed revenue of ₹ **NIL Crore** and loss of ₹ **0.06 Crore** to the Statement of Profit and Loss Account of the Group. Since the Company has not commenced operations till 31.03.2020, impact on revenue and profit before tax of the Group for the year 2019-20 had the acquisition occurred on 1 April 2019 was not ascertainable.

During the financial year 2020-21, Lanco Teesta Hydro Power Limited contributed revenue of ₹ **NIL Crore** and loss of ₹ **0.21 Crore** to the Statement of Profit and Loss Account of the Group.

**33. IMPACT OF COVID-19**

The Group's primary source of revenue is from generation and sale of hydroelectricity. Consequent to the outbreak of COVID-19 and recent surge in number of cases thereof, Government of India and/or State Governments have declared lockdowns which have affected business in general. Power supply being an essential service and considering the must-run status for Run-of-the-River (ROR) projects and scheduling to the extent possible by RLDCs in case of ROR with Pondage and Storage Projects, no material impact of COVID-19 on the financial performance of the Group including Inter alia the carrying value of various current and non-current assets or the ability to service the debt of the company, is expected to arise.

However, in line with the directions of the Ministry of Power dated 15th & 16th May 2020, the Group has given a one-time rebate of ₹ **185 Crore** to DISCOMs and Power Departments of States/ Union territories for passing on to ultimate consumers on account of COVID-19 pandemic. The said rebate has been presented as an "Exceptional item" in the Financial Statement.

In respect of projects under construction / under survey & investigation, the management does not foresee any large-scale contraction in demand which could result in down-sizing of its project portfolio. No contraction in the demand for the Company's debt instruments which could result in an increase in the cost of borrowings to fund future capital expenditure is foreseen.

Trade receivables amounting to ₹ **3409.88 Crore** forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for loss allowance using the expected credit loss method. Beneficiaries of the Company are mostly State DISCOMS and considering the infusion of liquidity declared by the Government of India to these beneficiaries under the Atmanirbhar Bharat Special Economic & Comprehensive Package, the Group does not anticipate any enhancement of credit risk in realization of trade receivables.

A significant part of the financial assets of the Group are classified as Level 1 and the fair value of these assets which are mainly investments in liquid equity and debt securities is marked to an active market which factors in the uncertainties arising out of COVID-19. In respect of Financial Assets carried at amortised cost in the form of cash and cash equivalents, bank deposits and earmarked balances with banks as at March 31, 2021, the Group has assessed that there is no enhancement in the counterparty credit risk. In respect of other financial assets classified as Level 2 and Level 3, the management does not anticipate any enhancement in credit risk based on an assessment of the profile of the counterparty, most of whom are either employees of the Group or State Government / Central Government entities.

Accordingly, management is of the opinion that there are no reasons to anticipate impairment in the carrying amount of Property, Plant & Equipment / Capital Work in Progress in respect of Projects under construction. Similarly, there is no impact of CoVID-19 as regards recoverability of deferred tax assets / regulatory deferral account balances and regulatory deferral account balances against deferred tax liabilities recognized by the Group.

As regards Ind AS 116- Leases, no changes in lease terms are anticipated in cases where the Company accounts for contracts as a lessee. Further, in the case of embedded leases in respect of Power Stations with single beneficiary, no relaxation in lease terms is proposed.

As per assessment, there is no enhancement in credit risk in respect of amounts receivable from other debtors of the Group.

Based on assessment of the management, no material impact of COVID-19 on the financial performance inter alia including the carrying value of various current and non- current assets or on the going concern assumptions of the Group is expected to arise. Further impact of COVID-19, if any, is dependent upon future developments. The Group will continue to monitor the impact of the pandemic and the same will be taken into consideration on crystallization.

**For and on behalf of the Board of Directors**

| | | |
|---|---|---|
| **SAURABH CHAKRAVORTY**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For Arora Vohra & Co.**<br>Chartered Accountants<br>FRN: 009487N | **For K. G. Somani & Co.**<br>(Chartered Accountants)<br>FRN: 006591N | **For Lodha & Co.**<br>Chartered Accountants<br>FRN: 301051E |
| **(CA Narinder Malik)**<br>Partner<br>M. No. 097008 | **(CA Bhuvnesh Maheshwari)**<br>Partner<br>M. No. 088155 | **(CA R.P. Singh)**<br>Partner<br>M. No. 052438 |

Place : Faridabad
Date : 10th June, 2021

## Note No. 35 to Consolidated Financial Statements

During the year ended on 31.03.2021, retrospective reclassifications/restatements have been carried out in respect of certain items in the financial statements of previous periods. Accordingly, to comply with the requirements of Ind AS 1, the company has presented a 3rd Balance Sheet as at the begnining of preceding period. i.e. as on 01.04.2019. Major restatements/reclassifications are explained as under:-

**(A) Restated Consolidated Financial Statements for the year ended 31st March, 2020 and as at 1st April, 2019**

RESTATED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020 and as at 1st April, 2019

(₹ in Crore)

| | PARTICULARS | Note No. of Consilidated Financial Statements | Notes | As at 31st March, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2020 (Restated) | As at 1st April, 2019 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2019 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| | **ASSETS** | | | | | | | | |
| **(1)** | **NON-CURRENT ASSETS** | | | | | | | | |
| A) | Property, Plant and Equipment | 2.1 | | 21,630.33 | - | 21,630.33 | 23,116.24 | - | 23,116.24 |
| b) | Capital Work In Progress | 2.2 | | 17,180.41 | - | 17,180.41 | 15,036.80 | - | 15,036.80 |
| c) | Right Of Use Assets | 2.3 | | 2,766.31 | - | 2,766.31 | - | - | - |
| d) | Investment Property | 2.4 | | 4.49 | - | 4.49 | 4.49 | - | 4.49 |
| e) | Intangible Assets | 2.5 | | 0.72 | - | 0.72 | 1,855.90 | - | 1,855.90 |
| f) | Investments accounted for using the equity method | 2.6.1 | | 933.53 | - | 933.53 | 792.65 | - | 792.65 |
| g) | **Financial Assets** | | | | | - | | | |
| | i) Investments | 3.1 | | 464.13 | - | 464.13 | 490.20 | - | 490.20 |
| | ii) Trade Receivables | 3.2 | 35.1 (b) | - | - | - | 61.51 | (61.51) | - |
| | iii) Loans | 3.3 | | 820.81 | - | 820.81 | 770.08 | - | 770.08 |
| | iv) Others | 3.4 | 35.1 (b) | 7,567.27 | - | 7,567.27 | 7,453.54 | 61.51 | 7,515.05 |
| h) | Non Current Tax Assets (Net) | 4 | | 153.29 | - | 153.29 | 145.87 | - | 145.87 |
| i) | Deferred Tax Assets (Net) | 18.1 | | - | - | - | | | |
| j) | Other Non Current Assets | 5 | 35.1 (a) | 3,038.17 | 11.03 | 3,049.20 | 2,034.11 | 7.49 | 2,041.60 |
| | **TOTAL NON CURRENT ASSETS** | | | **54,559.46** | **11.03** | **54,570.49** | **51,761.39** | **7.49** | **51,768.88** |
| **(2)** | **CURRENT ASSETS** | | | | | | | | |
| a) | Inventories | 6 | | 126.62 | - | 126.62 | 125.18 | - | 125.18 |
| b) | **Financial Assets** | | | - | - | - | | | |
| | i) Trade Receivables | 7 | 35.1 (b) | 3,816.44 | (233.22) | 3,583.22 | 2,838.00 | (296.69) | 2,541.31 |
| | ii) Cash & Cash Equivalents | 8 | | 42.17 | - | 42.17 | 25.04 | - | 25.04 |

| | PARTICULARS | Note No. of Consilidated Financial Statements | Notes | As at 31st March, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2020 (Restated) | As at 1st April, 2019 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2019 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| | iii) Bank balances other than Cash and Cash Equivalents | 9 | | 1,651.10 | - | 1,651.10 | 2,220.21 | - | 2,220.21 |
| | iv) Loans | 10 | | 51.01 | - | 51.01 | 48.81 | - | 48.81 |
| | v) Others | 11 | 35.1 (b) | 3,301.95 | 233.22 | 3,535.17 | 2,243.10 | 296.69 | 2,539.79 |
| c) | Current Tax Assets (Net) | 12 | 35.1 (c ) | 84.16 | 90.95 | 175.11 | 111.85 | 40.19 | 152.04 |
| d) | Other Current Assets | 13 | 35.1 (a) and 35.1 (c ) | 498.99 | (101.98) | 397.01 | 372.73 | (47.68) | 325.05 |
| | **TOTAL CURRENT ASSETS** | | | **9,572.44** | **(11.03)** | **9,561.41** | **7,984.92** | **(7.49)** | **7,977.43** |
| **(3)** | Regulatory Deferral Account Debit Balances | 14 | 35.1(e ) | 7,213.06 | (76.21) | 7,136.85 | 6,979.14 | - | 6,979.14 |
| | **TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES** | | | **71,344.96** | **(76.21)** | **71,268.75** | **66,725.45** | **-** | **66,725.45** |
| | **EQUITY AND LIABILITIES** | | | | | | | | |
| **(1)** | **EQUITY** | | | | | | | | |
| (a) | Equity Share Capital | 15.1 | | 10,045.03 | - | 10,045.03 | 10,045.03 | - | 10,045.03 |
| (b) | Other Equity | 15.2 | 35.1(e ) | 21,325.58 | 10.31 | 21,335.89 | 20,752.78 | - | 20,752.78 |
| | **Total Equity attributable to owners of the Company** | | | **31,370.61** | **10.31** | **31,380.92** | **30,797.81** | | **30,797.81** |
| (c) | Non Controlling Interest | 15.3 | 35.1(e ) | 2,763.88 | 9.88 | 2,773.76 | 2,868.47 | - | 2,868.47 |
| | **TOTAL EQUITY** | | | **34,134.49** | **20.19** | **34,154.68** | **33,666.28** | **-** | **33,666.28** |
| **(2)** | **LIABILITIES** | | | | | | | | |
| | **NON-CURRENT LIABILITIES** | | | | | | | | |
| a) | **Financial Liabilities** | | | | | | | | |
| | i) Borrowings | 16.1 | | 20,891.80 | - | 20,891.80 | 17,044.63 | - | 17,044.63 |
| | ii) Trade Payables | | | | - | - | | | |
| | ii) Other financial liabilities | 16.2 | | 2,060.29 | - | 2,060.29 | 2,059.44 | - | 2,059.44 |
| b) | Provisions | 17 | | 55.56 | - | 55.56 | 46.94 | - | 46.94 |
| c) | Deferred Tax Liabilities (Net) | 18 | 35.1(e ) | 4,229.12 | (369.90) | 3,859.22 | 4,720.68 | - | 4,720.68 |
| d) | Other non-current Liabilities | 19 | | 3,199.47 | - | 3,199.47 | 2,986.06 | - | 2,986.06 |
| | **TOTAL NON CURRENT LIABILITIES** | | | **30,436.24** | **(369.90)** | **30,066.34** | **26,857.75** | | **26,857.75** |

| | PARTICULARS | Note No. of Consilidated Financial Statements | Notes | As at 31st March, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2020 (Restated) | As at 1st April, 2019 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2019 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| **(3)** | **CURRENT LIABILITIES** | | | | | | | | |
| a) | **Financial Liabilities** | | | | | | | | |
| | i) Borrowings | 20.1 | | 714.31 | - | 714.31 | 416.00 | - | 416.00 |
| | ii) Trade Payables | 20.2 | | | | | | | |
| | Total outstanding dues of micro enterprises and small enterprises | | | 22.96 | - | 22.96 | 19.38 | - | 19.38 |
| | Total outstanding dues of Creditors other than micro enterprises and small enterprises | | | 293.70 | - | 293.70 | 176.89 | - | 176.89 |
| | iii) Other financial liabilities | 20.3 | 35.1 (d) | 2,923.08 | 0.38 | 2,923.46 | 2,896.72 | 0.34 | 2,897.06 |
| b) | Other Current Liabilities | 21 | 35.1 (d) | 902.82 | (0.38) | 902.44 | 1,158.04 | (0.34) | 1,157.70 |
| c) | Provisions | 22 | | 1,442.94 | - | 1,442.94 | 1,534.39 | - | 1,534.39 |
| d) | Current Tax Liabilities (Net) | 23 | | - | - | | - | - | - |
| **(4)** | **Regulatory Deferral Account Credit Balances** | | 35.1 (e) | 474.42 | 273.50 | 747.92 | | | |
| | **TOTAL CURRENT LIABILITIES** | | | **6,774.23** | **273.50** | **7,047.73** | **6,201.42** | **-** | **6,201.42** |
| | **TOTAL EQUITY & LIABILITIES** | | | **71,344.96** | **(76.21)** | **71,268.75** | **66,725.45** | **-** | **66,725.45** |

## (B) RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crore)

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2020 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2020 (Restated) |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| i) Revenue from Operations | 24.1 | 35.2 | 10,008.07 | (0.26) | 10,007.81 |
| ii) Other Income | 24.2 | 35.2 | 768.57 | 0.26 | 768.83 |
| **TOTAL INCOME** | | | **10,776.64** | **-** | **10,776.64** |
| **EXPENSES** | | | | | |
| i) Purchase of Power - Trading | 25.1 | | 234.13 | - | 234.13 |
| ii) Generation Expenses | 25.2 | | 904.33 | - | 904.33 |
| iii) Employee Benefits Expense | 26 | | 1,676.09 | - | 1,676.09 |
| iv) Finance Costs | 27 | | 795.98 | - | 795.98 |
| v) Depreciation and Amortization Expense | 28 | | 1,614.04 | - | 1,614.04 |
| vi) Other Expenses | 29 | | 1,699.39 | - | 1,699.39 |
| **TOTAL EXPENSES** | | | **6,923.96** | **-** | **6,923.96** |
| **PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | 3,852.68 | - | 3,852.68 |
| Share of Net Profit of Joint Ventures accounted for using the equity method | 2.6.2 | | 3.04 | - | 3.04 |
| **PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | 3,855.72 | - | 3,855.72 |
| **Tax Expenses** | 30.1 | | | | |
| i) Current Tax | | | 897.74 | - | 897.74 |
| ii) Deferred Tax | | 35.1 (e) | (607.24) | (369.90) | (977.14) |
| **Total Tax Expenses** | | | **290.50** | **(369.90)** | **(79.40)** |
| **PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES** | | | 3,565.22 | 369.90 | 3,935.12 |
| Movement in Regulatory Deferral Account Balances (Net of Tax) | 31 | 35.1 (e) | (240.50) | (349.71) | (590.21) |
| **PROFIT FOR THE YEAR AFTER NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES** | | | 3,324.72 | 20.19 | 3,344.91 |

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2020 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2020 (Restated) |
|---|---|---|---|---|---|
| **Profit for the year from continuing operations (A)** | | | 3,324.72 | 20.19 | 3,344.91 |
| Profit from discontinued operations | | | - | | |
| Tax expense of discontinued operations | | | - | | |
| **Profit from discontinuing operations after tax** | | | - | | |
| **OTHER COMPREHENSIVE INCOME (B)** | **30.2** | | | | |
| **(i) Items that will not be reclassified to profit or loss** | | | | | |
| (a) Items that will not be reclassified to profit or loss (Net of Tax) | | | 36.29 | - | 36.29 |
| Less:- Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | | | 8.80 | - | 8.80 |
| Share of Other Comprehensive Income of Joint Ventures accounted for using the equity method | 2.6.3 | | (0.01) | - | (0.01) |
| **Sub total (a)** | | | **27.48** | **-** | **27.48** |
| (b) Investment in Equity Instruments | | | (42.09) | - | (42.09) |
| **Sub total (b)** | | | **(42.09)** | **-** | **(42.09)** |
| **Total (i)=(a)+(b)** | | | **(14.61)** | **-** | **(14.61)** |
| **(ii) Items that will be reclassified to profit or loss** | | | | | |
| - Investment in Debt Instruments | | | 12.10 | - | 12.10 |
| **Total (ii)** | | | **12.10** | **-** | **12.10** |
| **Other Comprehensive Income (B)=(i+ii)** | | | **(2.51)** | **-** | **(2.51)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)** | | | **3,322.21** | **20.19** | **3,342.40** |
| **Profit is attributable to:** | | | | | |
| Owners | | | 2,874.61 | 10.31 | 2,884.92 |
| Non-Controlling interests | | | 450.11 | 9.88 | 459.99 |
| | | | 3,324.72 | 20.19 | 3,344.91 |
| **Other comprehensive income is attributable to:** | | | | | |
| Owners | | | (1.59) | - | (1.59) |

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2020 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2020 (Restated) |
|---|---|---|---|---|---|
| Non-Controlling interests | | | (0.92) | - | (0.92) |
| | | | (2.51) | - | (2.51) |
| **Total comprehensive income is attributable to:** | | | | | |
| Owners | | | 2,873.02 | 10.31 | 2,883.33 |
| Non-Controlling interests | | | 449.19 | 9.88 | 459.07 |
| | | | 3,322.21 | 20.19 | 3,342.40 |
| **Total comprehensive income attributable to owners arises from:** | | | | | |
| Continuing operations | | | 2,873.02 | 10.31 | 2,883.33 |
| Discontinued operations | | | - | - | - |
| | | | 2,873.02 | 10.31 | 2,883.33 |
| **"Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)"** | | | | | |
| Before movements in Regulatory Deferral Account Balances | | 35.4 | 3.10 | 0.36 | 3.46 |
| After movements in Regulatory Deferral Account Balances | | 35.4 | 2.86 | 0.01 | 2.87 |

**35.1 Notes to retrospective restatements:-**

a) Certain deposits for acquisition of long-term assets earlier classified as current have been reclassified as “Other Non-Current Assets”.

b) Trade Receivables (Current) towards Late Payment Surcharge recoverable from beneficiaries for delay in settlement of bills for purchase of power earlier presented under “Trade Receivables” have been reclassified as “Current Financial Assets- Others” being in the nature of interest. Further, Trade Receivables (Non Current) towards Late Payment Surcharge earlier presented under “Non-Current Trade Receivables” have been reclassified as “Non Current Financial Assets- Others”.

c) Income Tax Refundable earlier presented as “Other Current Assets” has been reclassified as “Current Tax Assets (Net)”, being in the nature of tax assets.

d) Payable towards Sodexo Meal vouchers earlier presented under “Other Current Liabilities” have been reclassified as “Other Current Financial Liabilities“ being not a statutory liability.

e) In view of the amendments in Section 115 JAA of the Income Tax Act, 1961 effective from 1st April 2018, and Income Tax Return for the Financial Year 2019-20 filed to the effect, NHDC Limited, a subsidiary company has recomputed deferred tax assets on account of MAT credit entitlements available for utilisation within 15 years succeeding the assessment year in which the credit becomes allowable instead of within 10 years as followed earlier. Consequently, deferred tax Asset has increased and deferred tax expenses have decreased by ₹ 369.90 Crore. Out of this

₹ 273.50 Crore being the amount refundable to beneficiaries has been recognised as regulatory deferral account credit balance. Further, ₹ 76.21 Crore recoverable from beneficiary for tariff period up to 2009 has been reversed towards deferred tax liabilities with corresponding decrease in Regulatory deferral Debit balances and movement in regulatory deferral account balances. These rectifications have resulted in an increase in Other Equity and Non-Controlling Interest by ₹ 10.31 Crore and ₹ 9.88 Crore respectively during FY 2019-20 in the Consolidated Financial Statement of the Group."

35.2 Interest on UI Charges / Deviation Settlement Mechanism Receivable earlier presented as "Revenue from Operations" has been reclassified as "Other Income", being in the nature of interest income.

35.3 Pursuant to an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India, Late Payment Surcharge collected from beneficiaries for sale of power has been reclassified from "Cash Flow from Operating Activities" to "Cash Flow from Investing Activities". Impact of change in Cash Flow Statement for Financial Year 2019-20 is given hereunder:-

(₹ in Crore)

| Activity | Existing Figures as on 31.03.2020 | Impact of Restatements/ Reclassifications | Revised Figures as on 31.03.2020 |
|---|---|---|---|
| Cash Flow from Operating Activities | 3251.87 | (259.34) | 2992.53 |
| Cash Flow from Investing Activities | (3246.40) | 259.34 | (2987.06) |
| Cash Flow from Financing Activities | 11.66 | 0.00 | 11.66 |

35.4 Basic and Diluted earning per share for the year 2019-20 have also been restated. The basic and diluted earnings per share has increased by ₹ 0.36 before movement in regulatory Deferral Account Balances and by ₹ 0.01 per share after movement in **Regulatory Deferral Account Balances.**

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N
**(CA Narinder Malik)**
Partner
M. No. 097008

**For K. G. Somani & Co.**
Chartered Accountants
FRN: 006591N
**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E
**(CA R. P. SINGH)**
Partner
M. No. 052438

Place: Faridabad
Date: 10th June, 2021

# Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part "A": Subsidiaries**

(₹ in Crore)

| 1 | Sl. No. | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| 2 | **Name of the subsidiary** | **NHDC Ltd.** | **Loktak Downstream Hydroelectric Corporation Ltd.** | **Bundelkhand Saur Urja Ltd.** | **Lanco Teesta Hydro Power Limited** | **Jal Power Corporation Limited*** ** |
| 3 | The date since when subsidiary was acquired | 01.08.2000 | 23.10.2009 | 02.02.2015 | 09.10.2019 | 31.03.2021 |
| 4 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | "Same as that of Holding Company (01.04.2020-31.03.2021)" | "Same as that of Holding Company (01.04.2020-31.03.2021)" | "Same as that of Holding Company (01.04.2020-31.03.2021)" | "Same as that of Holding Company (01.04.2020-31.03.2021)" | "Same as that of Holding Company (01.04.2020-31.03.2021)" |
| 5 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA | NA | NA | NA | NA |
| 6 | Share capital | 1,962.58 | 132.00 | 21.98 | 970.50 | - |
| 7 | Reserves & surplus | 3,729.96 | 19.88 | 26.70 | 65.66 | 188.15 |
| 8 | Total assets | 7,989.03 | 154.31 | 62.80 | 1,050.23 | 188.31 |
| 9 | Total Liabilities | 2,296.49 | 2.43 | 14.12 | 14.07 | 0.15 |
| 10 | Investments | Nil | Nil | Nil | Nil | Nil |
| 11 | Turnover | 1,158.41 | - | - | - | |
| 12 | Profit before taxation* | 861.76 | - | (0.18) | (0.21) | (1,120.36) |
| 13 | Provision for taxation** | 197.13 | - | (0.05) | - | - |
| 14 | Profit after taxation | 664.63 | - | (0.13) | (0.21) | (1,120.36) |
| 15 | Proposed dividend | Nil | Nil | Nil | Nil | Nil |
| 16 | Extent of shareholding (in percentage) | 51.08% | 74.92% | 74.00% | 100% | 100% |

* Including income on regulatory deferral account balances.

** Provision for taxation includes tax expenses and tax on regulatory deferral account balances.

*** Jal Power Corporation Limited (JPCL) was acquired by NHPC Limited on 31.03.2021 through NCLT. On date of acquisition, the assets of JPCL were fair valued and loss of ₹ 1120.36 Crore was recognised in Profit & Loss Account of the subsidiary company JPCL. Gain due to extinguishment of Equity Share Capital of erstwhile Equity holders, settlement of debts and extinguishment of all other liabilities, amounting to ₹ 1157.17 Crore was recognised in Capital Reserve of the JPCL as per the terms of the approved Resolution Plan. Accounts of Jal Power Corporation Limited have been consolidated in NHPC Group accounts w.e.f. 31.03.2021, Profit/Loss incurred for FY 2020-21 has not been considered for consolidation in Group Accounts.

The assets of JPCL have been accounted for at fair value as on date of acquisition. In the NHPC Group accounts, surplus of assets acquired over the consideration paid amounting to ₹ 23.15 Crore has been credited to Capital Reserve under 'Other Equity'.

**Notes:**

| | |
|---|---|
| 1. Names of subsidiaries which are yet to commence operations | 1. Loktak Downstream Hydroelectric Corporation Ltd.<br>2. Bundelkhand Saur Urja Ltd.<br>3. Lanco Teesta Hydro Power Limited<br>4. Jal Power Corporation Limited |
| 2. Names of subsidiaries which have been liquidated or sold during the year. | Nil |

**Part "B": Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures**

(₹ in Crore)

| | **Name of Joint Ventures** | **Chenab Valley Power Projects [P] Ltd.** | **National High Power Test Laboratory Private Limited.** |
|---|---|---|---|
| 1 | Latest audited Balance Sheet Date | 31st March 2021 | 31st March 2020* |
| 2 | Date on which Joint Venture was associated or acquired | 13.06.2011 | 22.05.2009 |
| 3 | **Shares of Joint Ventures held by the company on the year end** | | |
| | No. | 1,287,850,000 | 30,400,000 |
| | Amount of Investment in Joint Venture | 1,287.85 | 30.40 |
| | Extend of Holding % | 51.93% | 20% |
| 4 | Description of how there is significant influence | NA | NA |
| 5 | Reason why the joint venture is not consolidated | NA | NA |
| 6 | Net worth attributable to Shareholding as per latest audited Balance Sheet | 1,440.02 | 18.22 |
| 7 | **Profit / (Loss) for the year** | | |
| i | Considered in Consolidation | (1.64) | (3.85) |
| ii | Not Considered in Consolidation | NA | NA |

* Management certified accounts of National High Power Test Laboratory Private Limited. has been considered for Group consolidation for the financial year ended 31.03.2021.

**Notes:**

| | |
|---|---|
| 1. Names of Joint Ventures which are yet to commence operations. | 1. Chenab Valley Power Projects [P] Ltd. |
| 2. Names of Joint Ventures which have been liquidated or sold during the year. | Nil |

**For and on behalf of the Board of Directors**

**SAURABH CHAKRAVORTY**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

**For Arora Vohra & Co.**
Chartered Accountants
FRN: 009487N

**(CA Narinder Malik)**
Partner
M. No. 097008

**For K. G. Somani & Co.**
(Chartered Accountants)
FRN: 006591N

**(CA Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**For Lodha & Co.**
Chartered Accountants
FRN: 301051E

**(CA R.P. Singh)**
Partner
M. No. 052438

Place : Faridabad
Date : 10th June, 2021

**Annexure-XI**

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NHPC LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of NHPC Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NHPC Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

**For and on behalf of the**
**Comptroller & Auditor General of India**

**Sd/-**
**(D.K. Sekar)**
**Director General of Audit (Energy), Delhi**

Place: New Delhi
Dated: August 13, 2021

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NHPC LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of NHPC Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statement of NHPC Limited for the year ended 31 March 2021 under Section 143(6)(a) read with section 129(4) of the act. We conducted a supplementary audit of the standalone financial statements of NHPC Limited, but did not conduct supplementary audit of the financial statements of mentioned in **Annexure A** for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

**For and on behalf of the**
**Comptroller & Auditor General of India**

**Sd/-**
**(D.K. Sekar)**
**Director General of Audit (Energy), Delhi**

Place: New Delhi
Dated: August 13, 2021

**Annexure - A**

Name of the company/ subsidiary/ JV/ Associate companies of which supplementary audit has not been conducted by the Comptroller and Auditor General of India.

| Sl. No. | Name of the Joint Venture/ Subsidiary | Type of the Company |
|---|---|---|
| 1 | Loktak Downstream Hydroelectric Corporation Limited | Subsidiaries |
| 2 | Bundelkhand Saur Urja Limited | |
| 3 | Lanco Teesta Hydro Power Limited | |
| 4 | Jalpower Corporation Limited | |
| 5 | Chenab Valley Power Projects (P) Limited | Joint Ventures |
| 6 | National High Power Test Laboratory Limited | |

# NOTES

**Shri R.P. Goyal (5th from left), Director (Finance), NHPC alongwith other senior NHPC officers receiving the winner's trophy in 'Silver Shield' category at ICAI Awards for Excellence in Financial Reporting for 2019-20 from Shri Arjun Ram Meghwal, Hon'ble Union Minister of State for Parliamentary Affairs and then Hon'ble Union Minister of State for Heavy Industries & Public Enterprises, Government of India.**

**2000 MW Subansiri Lower Project (Arunachal Pradesh/ Assam) - Dam under construction**

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**800 MW Parbati-II Project (Himachal Pradesh) - Aerial view of Dam site**


CIN L40101HR1975GOI032564

**एनएचपीसी लिमिटेड**
(भारत सरकार का उद्यम)

***NHPC Limited***
*(A Government of India Enterprise)*

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