एनएचपीसी NHPC

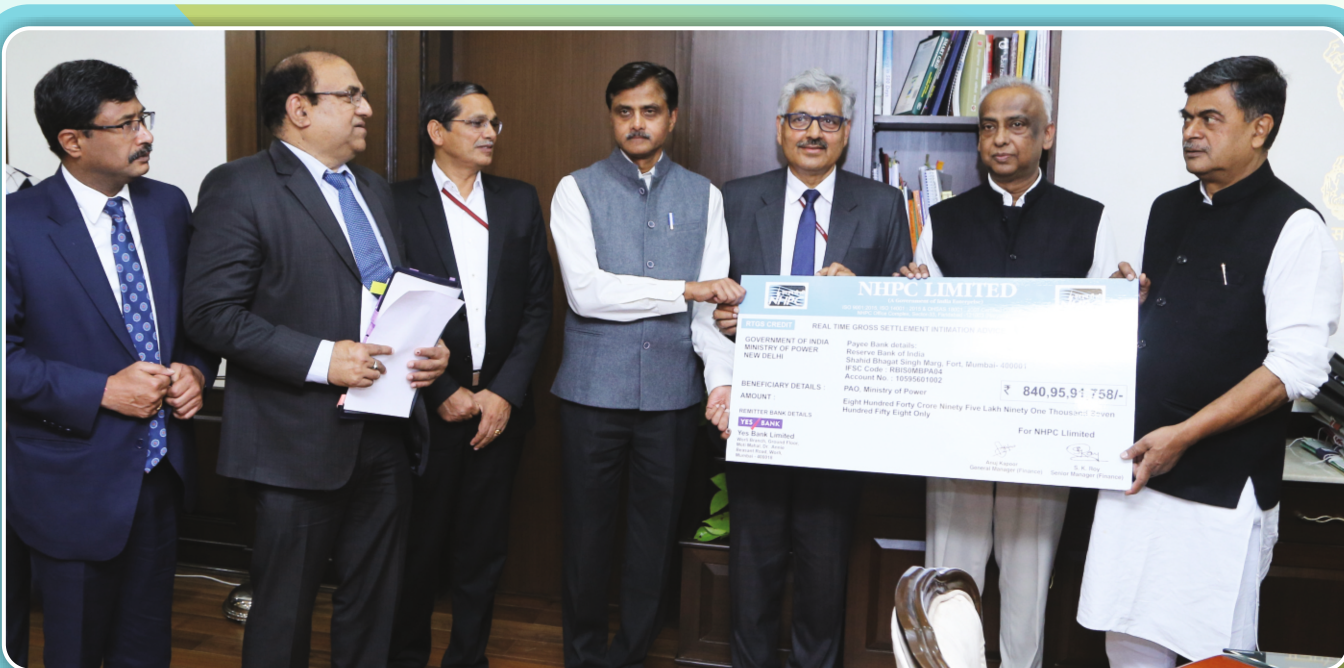
Annual Report 2019-20

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 Minister of State (Independent Charge) (Power and New & Renewable Energy) & Minister of State (Skill Development and Entrepreneurship), Government of India in the presence of Shri Sanjiv Nandan Sahai, Secretary (Power), Government of India, Shri Aniruddha Kumar, the then Joint Secretary (Hydro), Ministry of Power and Shri N.K. Jain, Director (Personnel), Shri Mahesh Kumar Mittal, Director (Finance) and Shri Janardan Choudhary, the then Director (Technical) from NHPC.

CONTENTS

BOARD OF DIRECTORS

Shri Abhay Kumar Singh
Chairman & Managing Director

Shri Ratish Kumar
Director (Projects)

Shri Nikhil Kumar Jain
Director (Personnel)

Shri Mahesh Kumar Mittal
Director (Finance)

Shri Yamuna Kumar Chaubey
Director (Technical)

Shri Tanmay Kumar
Government Nominee Director

Shri Jugal Kishore Mohapatra
Independent Director

Shri Bhagwat Prasad
Independent 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 Vijay Gupta

Statutory Auditors

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

M/s DSP & Associates
Chartered Accountants,
783, Desh Bandhu Gupta Road, Near Faiz Road,
Karol Bagh, New Delhi – 110005

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

Cost Auditors

M/s Chandra Wadhwa & Co.
1305 & 1306, Vijaya Building,
Barakhamba Road, New Delhi – 110001

M/s Balwinder & Associates
F-125, Phase VIII-B, Indl. Area,
Sector 74, Mohali, Punjab – 160071

M/s Sanjay Gupta & Associates
C4E/135, Janak Puri, New Delhi– 110058

M/s K.L. Jaisingh & Co.
J-7, Sector-XI, Jaisingh House, Noida,
Uttar Pradesh – 201301

M/s K. G. Goyal & Associates
289, Mahaveer Nagar-II,
Maharani Farms, Durgapura, Jaipur,
Rajasthan – 302018

M/s R. J. Goel & Co.
1011, Pearls Best Heights-II,
C-9, Netaji Subhash Place,
Pitampura, Delhi – 110034

M/s DGM & Associates
64, B.B. Ganguly Street,
2nd Floor, Kolkata,
West Bengal – 700012

M/s Niran & Co.
Mohit Kali Apartment, Block-A,
Flat- 2D, 161, Sabarnapara Road,
Post Office- Barisha, Kolkata,
West Bengal– 700008

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 Vijay Kumar,
Executive Director (Finance)

Bankers

State Bank of India
Indian Overseas Bank
ICICI Bank Limited
Jammu & Kashmir Bank Limited
Bank of India
Axis Bank
HDFC Bank
IndusInd Bank
Bank of Baroda
Deutsche Bank
Central Bank of India
Kotak Mahindra Bank
RBL Bank
IDBI Bank
Yes Bank
IDFC Bank
Punjab National Bank
Canara Bank
AU Small Finance Bank
Union Bank of India
Karnataka Bank Limited

Registrar & Share Transfer Agent

For Equity Shares & Tax Free Bonds:

M/s KFin Technologies Private Limited
(Formerly Karvy Fintech Private Limited)
Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad – 500 032
Ph: +91 40 67161500, 67162222
Email: einward.ris@kfintech.com
Website: www.kfintech.com

For other Bonds:

M/s 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' and 'AA1' 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 and 6.89% AA1 series Bonds	**IDBI Trusteeship Services Ltd.** Asian Building, Ground Floor 17, R. Kamani Marg Ballard Estate, Mumbai- 400 001 Ph.: +91 22 40807000 Email: itsl@idbitrustee.com
8.70% R1, 8.85% R2, 8.78% R3, 8.24% U and 8.17% U1 Series Bonds	**SBICAP Trustee Company Ltd.** Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Church Gate, Mumbai – 400020 Ph.: +91 22 43025553/55/66 Email: helpdesk@sbicaptrustee.com

DIGEST OF IMPORTANT FINANCIAL DATA (STANDALONE ACCOUNTS)

(₹ in crore)

	FINANCIAL	2019-20	2018-19	2017-18	2016-17	2015-16
A	SALE OF ENERGY	8,301.03	8,095.13	6,868.64	7,139.46	7,265.71
B	OTHER OPERATING INCOME, REVENUE FROM POWER TRADING & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS	434.38	66.05	69.58	131.71	87.29
C	OTHER INCOME (INCLUDES EXCEPTIONAL ITEM)	1,036.18	924.78	1,420.55	1,457.67	992.07
D	**TOTAL INCOME (A) + (B) + (C)**	**9,771.59**	**9,085.96**	**8,358.77**	**8,728.84**	**8,345.07**
E	PURCHASE OF POWER TRADING	234.13	12.68	-		
F	GENERATION EXPENSES	901.67	796.85	716.39	773.67	790.87
G	EMPLOYEE BENEFITS EXPENSES	1,515.52	1,704.65	1,535.89	1,574.84	1,158.36
H	DEPRECIATION & AMORTIZATION EXPENSES	1,545.34	1,589.99	1,395.51	1,388.40	1,359.07
I	FINANCE COSTS	795.42	894.88	922.32	1,073.22	1,072.10
J	OTHER EXPENSES	1,514.95	1,165.53	972.36	1,158.10	1,335.07
K	**TOTAL EXPENSES (E)+ (F) + (G) + (H) + (I)+ (J)**	**6,507.03**	**6,164.58**	**5,542.47**	**5,968.23**	**5,715.47**
L	**PROFIT BEFORE TAX AND RATE REGULATED INCOME (D) - (K)**	**3,264.56**	**2,921.38**	**2,816.30**	**2,760.61**	**2,629.60**
M	RATE REGULATED INCOME ON ACCOUNT OF FINANCE COST	157.61	76.78	331.39	365.32	396.22
N	RATE REGULATED INCOME ON ACCOUNT OF OTHERS	186.00	746.62	(269.06)	659.53	312.53
O	**TOTAL RATE REGULATED INCOME (M) + (N)**	**343.61**	**823.40**	**62.33**	**1,024.85**	**708.75**
P	**PROFIT BEFORE TAX (L) + (O)**	**3,608.17**	**3,744.78**	**2,878.63**	**3,785.46**	**3,338.35**
Q	INCOME TAX EXPENSES	601.00	1,114.23	109.60	989.87	908.46
R	**PROFIT AFTER TAX (P) - (Q)**	**3,007.17**	**2,630.55**	**2,769.03**	**2,795.59**	**2,429.89**
S	**OTHER COMPREHENSIVE INCOME**	**(0.62)**	**(12.41)**	**5.88**	**7.67**	**3.24**
T	**TOTAL COMPREHENSIVE INCOME (R) + (S)**	**3,006.55**	**2,618.14**	**2,774.91**	**2,803.26**	**2,433.13**
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	10,259.32	10,259.32	11,070.67
W	OTHER EQUITY (RESERVE AND SURPLUS)	19,938.78	19,169.70	18,092.50	16,682.81	18,690.48
X	LONG TERM/NON CURRENT BORROWINGS INCLUDING LEASE OBLIGATIONS	20,889.74	17,044.63	16,728.20	17,245.64	18,181.08
Y	OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS	4,169.54	3,910.44	1,688.94	1,985.03	1,829.95
Z	DEFERRED TAX LIABILITIES	3,641.19	3,610.63	3,145.39	3,664.73	3,277.31
AA	PROPERTY PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT OF USE ASSETS	23,295.52	23,851.84	20,017.98	20,977.21	21,303.90
AB	CAPITAL WORK-IN-PROGRESS	16,097.65	14,898.11	18,813.96	17,350.13	16,578.71
AC	INVESTMENTS (NON CURRENT)	3,400.74	2,361.66	2,209.56	2,100.32	1,683.01
AD	OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSETS	7,397.07	6,428.38	4,418.92	3,424.21	3,645.30
AE	REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	6,836.22	6,492.61	5,669.21	5,630.56	4,596.66
AF	WORKING CAPITAL	1,657.08	(252.17)	(1,215.28)	355.10	5,241.91
AG	**GROSS CAPITAL EMPLOYED (AA) + (AB) + (AC) + (AD) + (AE) + (AF)**	**58,684.28**	**53,780.43**	**49,914.35**	**49,837.53**	**53,049.49**
AH	CURRENT MATURITIES OF LONG TERM BORROWINGS INCLUDING LEASE OBLIGATIONS	1,619.78	1,605.16	1,593.91	1,678.59	1,757.14
AI	PAYABLE TOWARDS BONDS FULLY SERVICED BY GOVERNMENT OF INDIA	2,017.20	2,017.20	-	-	-
AJ	**NET WORTH (V)+(W)**	**29,983.81**	**29,214.73**	**28,351.82**	**26,942.13**	**29,761.15**
AK	**DIVIDEND PAID (INCLUDING INTERIM DIVIDEND)**	**1,938.69**	**1000.46**	**1,251.65**	**2,524.13**	**1,461.33**
	RATIOS	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**
	RETURN ON CAPITAL EMPLOYED [(P) + (I) -(M)] / (AG)	7.24%	8.48%	6.95%	9.02%	7.57%
	RETURN ON NET WORTH (R) / (AJ)	10.03%	9.00%	9.77%	10.38%	8.16%
	NET PROFIT TO SALE OF ENERGY (R) / (A)	36.23%	32.50%	40.31%	39.16%	33.44%
	BOOK VALUE PER SHARE	29.85	29.08	27.64	26.26	26.88
	EARNING PER SHARE	2.99	2.57	2.70	2.53	2.19
	DIVIDEND PER SHARE (INTERIM+PROPOSED FOR THE YEAR)	1.50	1.46	1.40	1.80	1.50
	DEBT EQUITY RATIO [(X)+ (AH)+ (AI)] / (AJ)	0.82	0.71	0.65	0.70	0.67
	CURRENT RATIO	1.28	0.96	0.79	1.07	2.10
	OPERATING PERFORMANCE	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**
	GENERATION (M.U.)	26,121.00	24193.00	22625.00	23948.00	23404.00
	CAPACITY (IN MW)	5,551.20	5551.20	5551.20	5171.20	5041.20
	PLANT AVAILABILITY FACTOR (%)	84.04	84.97	85.32	83.41	81.60
	MAN POWER (Nos.)	6131	6753	7351	8009	8654

Note:-1 Dividend at S.No-"AK" is actual dividend paid during the year.
Note:-2 Previous periods figures have been regrouped/rearranged wherever considered necessary.
Note:-3 Generation excludes deemed generation of Chutak and Nimoo Bazgo Power Stations.

LETTER TO SHAREHOLDERS

Dear Members,

It is my proud privilege to get this opportunity to communicate with you. I am truly humbled at being appointed Chairman & Managing Director of NHPC. I have begun this journey with a deep sense of gratitude- it is both an honor and a privilege to lead our Company.

Since the beginning of 2020, we have been witnessing unprecedented conditions caused by pandemic COVID-19. But, we must remember that evolution, development and adaption are inevitable for sustenance of human beings, organizations and societies at large. Renowned Japanese scholar Okakura Kakuzo had said that "the art of life is a constant readjustment to our surroundings". I believe that we will be able to evolve, adapt and adjust to our surroundings by overcoming the challenges posed by pandemic COVID-19, thereby creating a new normal world.

In NHPC, we have begun to readjust and evolve with the changes. We are witnessing that while working from home with the use of Information Technology, the productivity of employees is just as good, if not better, as we were doing in pre-COVID era. When we come out of this crisis, the whole world will be a very different place to live and work.

DECISIVE MEASURES TO COMBAT COVID-19 CRISIS

We have put in place an agile and proactive response mechanism encompassing human, operational, financial and strategic aspects tackling the situation caused by pandemic. Your company has prioritized the health and safety of its employees and adopted best-in class safety and hygiene practices, realigned mobility so that critical systems keep running even under difficult circumstances. Your Company has also pitched in to help communities by developing quarantine centers with required amenities and accessories at its various power stations. Further, NHPC's hospitals/ dispensaries have provided 24 hrs. OPD services to the people residing in nearby vicinities.

Your Company had provided uninterrupted power supply by ensuring 24X7 continued operations and had contributed to stability of National Grid during the Hon'ble Prime Minister's '9PM9MIN' initiative on April 5, 2020.

PERFORMANCE DURING FINANCIAL YEAR 2019-20

Your Company constantly endeavours in the pursuit of development and growth. The year 2019-20 was a remarkable year for the performance achievements of your Company.

Operating Segment wise performance:

In its principal operating segment of energy generation, your company has set new milestones by achieving highest annual generation of 26,121 Million Units (MUs). The generation exceeds the generation target of 26,000 MUs for the 'Excellent' rating under Memorandum of Understanding (MoU) signed with

Ministry of Power, Government of India. Out of 23 power stations of your Company, 13 have achieved highest ever generation since their commissioning. This reflects continued improvement in our operational efficiencies and Operation & Maintenance.

In the secondary operating segment of Power Trading, Company has traded 2,022 MUs with turnover of ₹ 695.84 crores during financial year 2019-20 by successfully executing contracts for the beneficiary states viz. Uttar Pradesh, Andhra Pradesh, Tamil Nadu and UT of J&K. During March 2020, your Company has achieved 6th position among Traders for Short Term transactions.

Financial performance:

The operational achievements of the Company are also embodied in its financial performance during the year 2019-20. The total income of Company increased to ₹ 9,771.59 crore registering a growth of 7.50% and 17.20% over the total income in financial year 2018-19 and 2017-18 respectively. Total comprehensive income and Net Profit After Tax (PAT) during the year 2019-20 were ₹ 3,006.55 crore and ₹ 3,007.17 crore respectively. Sales from operations during financial year 2019-20 were ₹ 8,735.41 crore whereas realization including surcharge were ₹ 7,817.53 crore.

Initiatives for capacity addition and growth:

During the year, programme for capacity addition in core business segment of the Company has scaled up with:

a. the resumption of construction activities at Subansiri Lower HE Project (2,000 MW) from October 2019.

b. the taking over of Lanco Teesta Hydro Power Limited (LTHPL) through Corporate Insolvency Resolution Process (CIRP) in October, 2019 for implementation of Teesta VI HE Project (500 MW) in Sikkim.

c. the declaration of NHPC as successful resolution applicant by the Committee of Creditors of Jal Power Corporation Limited (JPCL). JPCL is implementing Rangit Stage-IV HE Project (120 MW) in Sikkim and the acquisition is awaiting approval of resolution plan by the Hon'ble National Company Law Tribunal, Hyderabad Bench.

d. the signing of Memorandum of Understanding (MoU) with Government of Himachal Pradesh for the execution of Dugar HE Project (449 MW) in Himachal Pradesh.

Till the time I am writing to you, the company has awarded works under Drilling and Blasting Method (DBM) package for the execution of 1500 m HRT at Parbati-II HE Project (800 MW) in June, 2020. Your Company also has signed a MoU with HIDCL (Hydroelectricity Investment and Development Company Limited – A Company owned by Govt. of Nepal) in June, 2020 for joint cooperation on development of hydropower projects in Nepal. Further, the award of contract for executing balance works relating to power house of Subansiri Lower HE Project (2000 MW) is in advance stage.

Subsequent to commissioning of the under construction projects viz. Subansiri Lower HE Project (2000 MW) and Parbati-II HE Project (800 MW), the installed capacity of your Company for hydropower generation shall stand at 9,871 MW on consolidated basis and 8,351 MW on standalone basis.

Your Company is also working actively to strengthen its non-core business segments i.e. renewable energy and power trading. To augment the existing generating capacity of 100 MW through renewable energy (50 MW Wind and 50 MW Solar), Company has envisaged floating solar projects of 500 MW each in Odisha and Telangana and 50 MW in Kerala under Ultra Mega Renewable Energy Power Parks (UMREPPs) Scheme of Ministry of New and Renewable Energy (MNRE), Government of India. Company has received in-principle approval from MNRE for enhancement of Solar Park capacity (from 100 MW to 140 MW) in Odisha, which envisages development of two projects of 40 MW and 100 MW in Ganjam and Deogarh District respectively. Possibilities are also being explored for development of other utility scale solar projects in different States/ UTs such as Telangana (293 MW), Tamil Nadu (25X25 MW) and Leh (50 MW).

To improve volumes of its trading business, Company has issued Letter of Award (LOA) to solar power developers for Inter State Transmission System (ISTS) grid connected photovoltaic projects aggregating to 2,000 MW. Your Company will act as facilitator for sale and purchase of generated power between the developers and DISCOMS/ Government utilities respectively.

The detailed status of operational plants, ongoing and new projects of the Company has been provided in the Directors' Report. However, I would like to mention that hydroelectric power project with expected capacity of 5,945 MW are under clearance/ approval stage. Capacity addition of 2,226 MW of hydroelectric power (including 770 MW in Bhutan) and 32 MW of solar power is also anticipated through Subsidiaries and Joint Ventures.

DIVESTMENT BY PROMOTERS

During the financial year 2019-20, Government of India had divested 2.38% of total paid-up Share Capital of the company through Bharat 22 Exchange

Traded Fund (ETF) in October, 2019 and CPSE ETF in February, 2020. After the divestment, holding of the Government of India in your Company stands reduced at 70.95% of the total paid up capital of the Company.

FULFILLING THE ASPIRATIONS OF STAKEHOLDERS

Given the healthy business performance in 2019-20 amidst a challenging economic environment, the Board has recommended a final dividend of ₹ 0.32/- per equity share for financial year 2019-20, subject to your approval. The Company has already paid an interim dividend of ₹ 1.18/- per share in March, 2020. On approval, the total dividend payout for the financial year 2019-20 will be more than 5% of net worth and approximately 50% of the profit after tax.

Your Company has continued to undertake CSR initiatives that have 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 financial year 2019-20 was ₹ 126.44 crores. NHPC stood by the nation in the moment of pandemic crisis and contributed ₹ 40 Crore towards PM CARES Fund from its CSR Budget.

CORPORATE GOVERNANCE

Corporate Governance forms an integral part of all its operations and processes of your Company and is not undertaken as a separate task/ activity. Sincere efforts are being made by your Company 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 it is within the ambit of management of the Company. Your Company's compliance with 'DPE Guidelines on Corporate Governance' during the year 2019-20 has been rated as "Excellent" under 'Corporate Governance Grading System' prescribed by DPE.

RECOGNITIONS

Awards and accolades act as encouragement to improve, excel and continue to do the best. During the year 2019-20, your Company has also been encouraged by conferring "Outstanding Performing Utility in Hydropower Sector" at CBIP Awards, 2020 and "Recognition of WIPS activities Award" under Miniratna & other category by forum of Women in Public Sector (WIPS). The efforts made by the Company for the progressive use of Hindi were appreciated at various forums and it was conferred with "Second Prize" for outstanding work in implementation of official language for the year 2018-19.

OUTLOOK

The outlook of power sector is sanguine, considering various schemes being undertaken and the set of holistic reforms such as mandatory enforcement of payment security mechanism under PPAs, privatization of DISCOMS in Union Territories, establishment of proposed electricity contract enforcement agency authority, direct benefit transfer of subsidiaries, separation of carriage and content, etc. announced by the Central Government. These measures together with the ₹ 90,000 crore liquidity infusion package announced to enable DISCOMS clear their outstanding dues should help in improvement in overall health of the sector going forward. Taking a step ahead in its commitment and in compliance to the advisory of Ministry of Power, Govt. of India, your Company has offered rebate on power supply bills to various DISCOMS amounting to ₹ 185 crore.

Your Company is committed to bolster the power sector and also to contribute towards Atmanirbhar Bharat Abhiyan (ABA). Further, contributing to ABA your Company has undertaken in-house repairing of Gas Insulated Switchgear (GIS) of Teesta Low Dam-III Power Station (132 MW) in Sikkim, without the help of overseas Original Equipment Manufacturer (OEM), resulting in savings of precious foreign reserves.

On behalf of the Board of Directors of NHPC Limited, I would like to convey my gratitude to all our stakeholders, business partners, customers, CERC, State Governments and various Ministries of Govt. of India, especially Ministry of Power for providing valuable guidance and support in our endeavors. I also take this opportunity to whole heartedly thank all our frontline warriors such as doctors, healthcare workers, municipal officials, army, police and all other people in the essential services for the unaudited spirit in tackling the COVID-19 crisis.

I must thank all the employees, who are the biggest strength on which the company relies. I strongly believe that together we will continue to strive, to ensure supply of clean and green energy for our Country's unabated development.

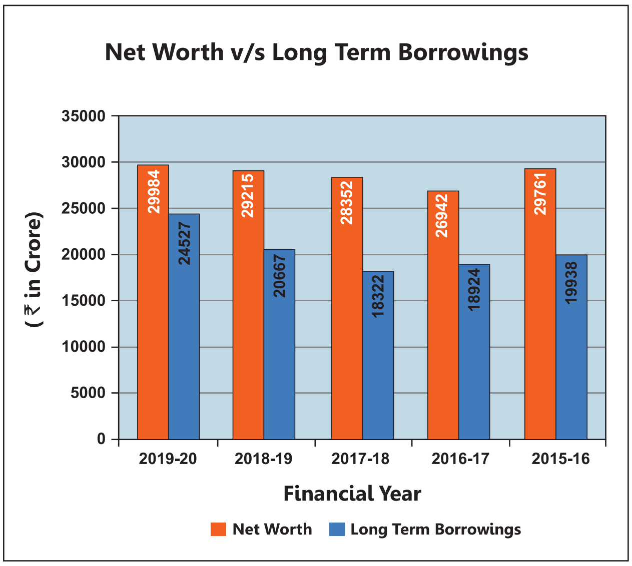
I also thank you for your continued trust, confidence and support.

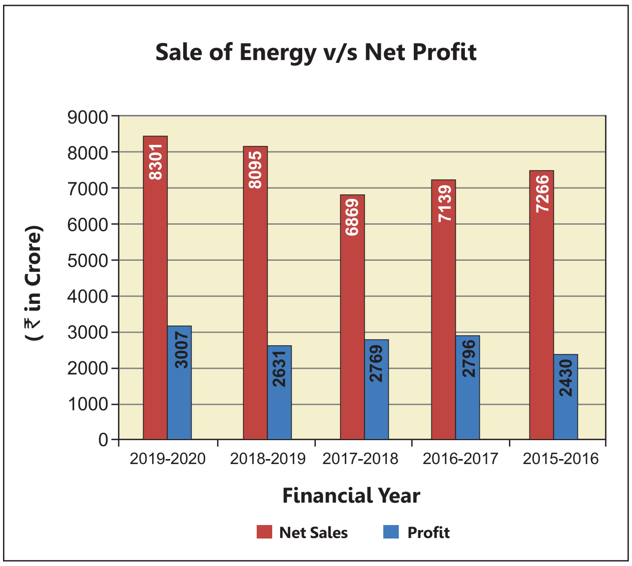
Warm regards,

(Abhay Kumar Singh)
Chairman and Managing Director
DIN 08646003

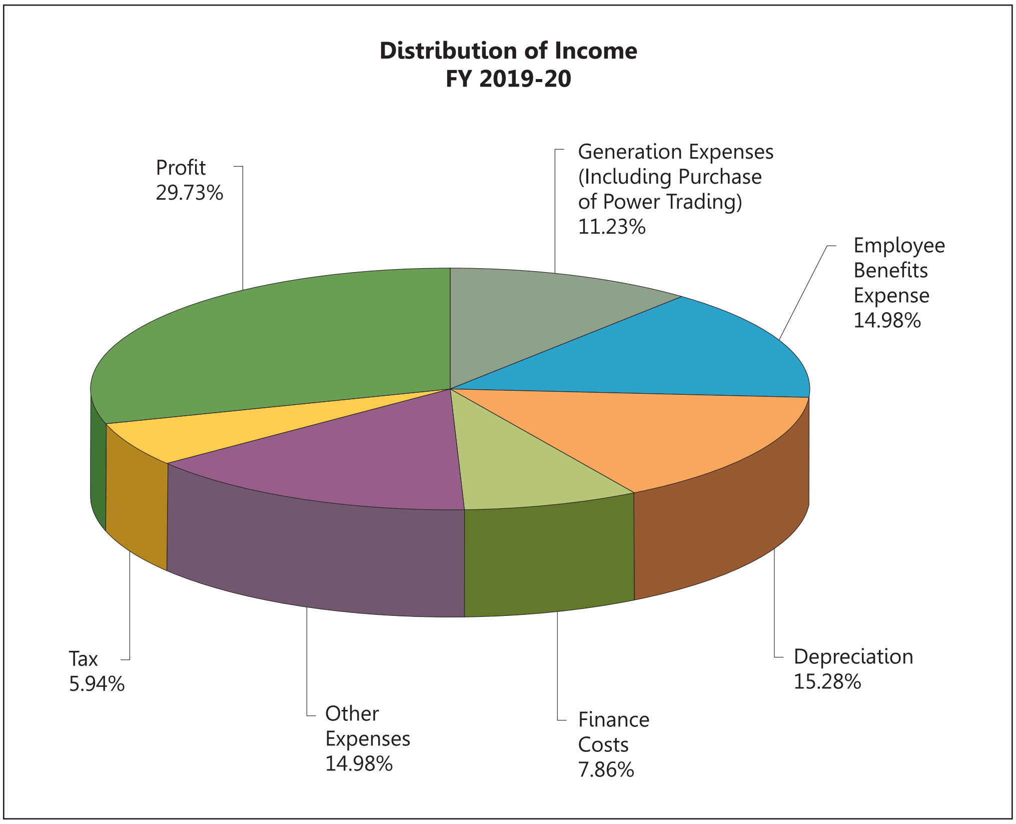
Date: August 27, 2020
Place: Faridabad

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 No. 08646003

Shri Abhay Kumar Singh 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 35 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 underscored NHPC's standing as the premier hydropower 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 hydropower 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.

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 hydropower development and the key role these projects play in the overall socio economic development of the Project area.

Shri Ratish Kumar

Director (Projects)

DIN: 06852735

Shri Ratish Kumar (59 years) is the Director (Projects) on the Board of NHPC Limited. He graduated from GB Pant University of Agriculture & Technology, Pantnagar (U.P) in Electrical Engineering and has a diverse experience of more than 38 years in development of hydropower as well as Solar & Wind Renewable Energy Projects.

He is associated with NHPC Limited since October 1982 and climbed up the professional ladder with utmost sense of responsibility, ethics and dedication. As Director (Projects), Shri Ratish Kumar is in-charge of all NHPC Projects which are under construction and pre-construction stages along with major functions viz. Arbitration, Construction Equipment Planning, CSR & SD and Information Technology and Communication etc.

His result oriented approach and team spirit is instrumental in resolving various ROW and State issues for development of projects in effective manner. Under his guidance, NHPC attained a new height in the field of Hydro as well as Solar, Wind & other Renewable Energy Sector and accomplished various targets viz. resolution of NGT issues in respect to Subansiri Lower HEP and start of construction activities at this project, Award of Lanco Teesta Hydro Project in favour of NHPC by NCLT, commissioning of 50 MW Solar Power Project in Tamilnadu within specified time period of 9 months, commissioning of Kishanganga HEP in J&K inspite of militancy disturbance and very harsh climatic conditions in Kashmir valley etc.

Shri Ratish Kumar had been assigned the additional charge of the CMD NHPC during the period 01.08.2017 to 22.09.2017 & 01.01.2020 to 24.02.2020. Presently he is also serving as Nominee Director-Chairman on the Board of Bundelkhand Saur Urja Limited (Joint Venture Company with UPNEDA) and Lanco Teesta Hydro Power Limited (A wholly owned subsidiary of NHPC).

Shri Ratish Kumar serves as a contributing member in Electro-Technical Division Council (ETDC) of Bureau of Indian Standards and has been a member in the technical committee for formulation of Indian Standards in the field of High Voltage Switchgear & Control gear. He has been an expert member in numerous National Level Publications, CBIP Manual on GIS, Bus Duct and Transformer etc.

Shri Ratish Kumar joined the Board of NHPC Limited w.e.f. January 6, 2016.

Shri Nikhil Kumar Jain
Director (Personnel)
DIN: 05332456

Shri Nikhil Kumar Jain, (57 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 Mahesh Kumar Mittal
Director (Finance)
DIN: 02889021

Shri Mahesh Kumar Mittal (59 years) has a distinguished academic background and is M.Com (Gold medalist) and Masters in Financial Management (Previous). He is also a Fellow Member of the Institute of Cost Accountants of India and a Fellow Member of the Institute of Company Secretaries of India.

Shri Mittal has a rich experience of over three decades in the field of Finance, Accounting, Taxation and Regulatory matters. Prior to joining NHPC, Shri Mittal was Director (Finance) at Dedicated Freight Corridor Corporation of India Ltd. He had also worked as General Manager (Finance) at Rural Electrification Corporation Ltd., Director (Finance) at Hindustan Organic Chemicals Ltd. and Chief Accounts Officer & Company Secretary at Haryana Vidyut Prasaran Nigam Ltd.

Presently, he is serving as Nominee Director on Board of Chenab Valley Power Projects Private Limited and PTC India Limited.

Shri Mahesh Kumar Mittal joined the Board of NHPC Limited on March 1, 2017.

Shri Yamuna Kumar Chaubey

Director (Technical)

DIN: 08492346

Shri Yamuna Kumar Chaubey 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. 1st April, 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 in the Board of Bundelkhand Saur Urja Limited as Nominee Director w.e.f. 25th June, 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.

As 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 Tanmay Kumar

Government Nominee Director

DIN: 02574098

Shri Tanmay Kumar, IAS, 1993 (RJ) Batch (53 years) 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 amongst other things, Transmission Sector, POSOCO (Power System Operation Corporation Limited) and Grid Integration of Renewable Energy. 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.

Shri Jugal Kishore Mohapatra
Independent Director
DIN: 03190289

Shri Jugal Kishore Mohapatra (63 years), a Post Graduate from Delhi School of Economics, joined Odisha Cadre of IAS in 1979. Later, he also obtained Masters Degree in Economics from Boston University, USA. Shri Mohapatra has all round experience in Govt. of India and Govt of Odisha. He served as Secretary in the Department of Fertilisers and Rural Development in Government of India during 2014-16. He was secretary to the Hon'ble Chief Minister, Odisha, Principal Secretary Finance and Chief Secretary in the Government of Odisha.

Presently, he is also serving on the Board of NABARD Financial Services Limited as Part-time Director & Non-executive Chairman, as an Independent Director on the Board of Urban Mass Transit Company Limited and as a nominee Director of the Foundation for development of Rural Value Chains.

Shri Jugal Kishore Mohapatra joined the Board of NHPC Limited on October 7, 2017.

Shri Bhagwat Prasad
Independent Director
DIN : 07941795

Shri Bhagwat Prasad was born on 12th July, 1968. He is a Post Graduate in Economics. He is associated with Trade Unions and is a social activist in Uttarakhand, India. He is also past Chairman of Rajya Safai Karamchari Aayog, Uttarakhand Government.

Shri Bhagwat Prasad joined the Board of NHPC Limited on October 7, 2017.

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company are pleased to share the highlights of developments and progress of your Company since its last report along with audited financial statements, Auditors' Report thereon and review of financial statements by the Comptroller and Auditor General of India (C&AG).

During the year 2019-20, your Company has maintained its 'excellent' performance in all parameters, while meeting the energy requirements and aspirations of the country. Major achievements of your Company are as under:

- Power Stations have achieved highest ever annual generation of 26,121 Million Units (MUs) during financial year 2019-20 surpassing the previous highest generation of 24,193 MUs during financial year 2018-19.
- Total revenue and revenue from operations (net) were ₹ 9,771.59 crore and ₹ 8,735.41 crore respectively. Total comprehensive income, Net Profit After Tax (PAT) and other comprehensive income were ₹ 3,006.55 crore, ₹ 3,007.17 crore and ₹ (0.62) crore respectively.
- Cash contribution of ₹ 2,320.56 crore was made to Government of India's exchequer through dividend, dividend distribution tax and income tax during the financial year 2019-20.
- A Memorandum of Understanding (MoU) has been signed between NHPC Limited and Green Energy Development Corporation of Odisha Limited (GEDCOL) on July 20, 2020 to form a Joint Venture Company (JVC) to plan & develop techno-commercially feasible floating solar power projects of 500 MW in the State of Odisha.
- NHPC has taken over Lanco Teesta Hydro Power Limited (LTHPL) for the implementation of Teesta VI HE Project (500 MW) in Sikkim through Corporate Insolvency Resolution Process (CIRP) in October, 2019. It was first Central Public Sector Enterprise's takeover of a Company through CIRP. After takeover, LTHPL has become wholly owned subsidiary of NHPC Limited.
- NHPC has been declared successful resolution applicant by the Committee of Creditors of Jal Power Corporation Limited, a company implementing Rangit Stage-IV HE Project (120 MW) in Sikkim, subject to approval of resolution plan by the Hon'ble National Company Law Tribunal, Hyderabad Bench.
- A Memorandum of Understanding (MoU) has been signed with Government of Himachal Pradesh in September, 2019 for the execution of Dugar HE Project (449 MW) in Himachal Pradesh.
- NHPC and NEA Engineering Company Limited, Nepal has exchanged 'Letter of Intent' in December, 2019 for mutual co-operation in the field of Design & Engineering of hydropower projects. This exchange would start a new journey of co-operation between India and Nepal for hydropower development in Nepal. Further, a MoU has been signed with Hydroelectricity Investment and Development Company Limited (HIDCL), a Company owned by Govt. of Nepal in June, 2020 for joint cooperation to develop hydropower projects in Nepal.
- NHPC has signed a Memorandum of Agreement (MoA) for R&D collaboration with IIT Kanpur in September, 2019 and IIT(ISM) Dhanbad in November, 2019.

1. FINANCIAL PERFORMANCE

The important financial highlights for the year ended March 31, 2020 are given in **Table 1.**

Table 1: Financial Highlights

(₹ in crore)

PARTICULARS	Financial Year	
	2018-19	**2019-20**
Revenue from operations	8,161.18	8,735.41
Profit before depreciation, interest, rate regulated income and tax	5,406.25	5,605.32
Depreciation	1,589.99	1,545.34
Profit after depreciation but before rate regulated income, interest and tax	3,816.26	4,059.98
Interest and finance charges	894.88	795.42
Profit after depreciation and interest but before rate regulated income and tax	2,921.38	3,264.56
Rate regulated income	823.40	343.61
Tax	1,114.23	601.00
Profit after depreciation, interest, rate regulated income and tax	2,630.55	3,007.17
Other Comprehensive Income (OCI)	(12.41)	(0.62)

Total Comprehensive Income (TCI)	**2,618.14**	**3,006.55**
Surplus from statement of profit and loss of earlier years (including Other Comprehensive Income)	3,590.61	4,995.92
Transfer from bond redemption reserve	244.98	244.97
Sub-total	**6,453.73**	**8,247.44**
Less : Appropriations		
Transfer to bond redemption reserve	308.78	-
Dividend and Corporate Dividend Tax (CDT)	1,149.03	2,237.47
Closing Balance of Retained Earnings including Other Comprehensive Income	**4,995.92**	**6,009.97**

1.1 REVENUE

Your Company has generated revenue of ₹ 9,771.59 crore during the financial year 2019-20. The revenue during the financial year 2018-19 was ₹ 9,085.96 crore.

1.2 EXPENSES

The total expenditure during financial year 2019-20 was ₹ 6,507.03 crore. The total expenditure in the financial year 2018-19 was ₹ 6,164.58 crore.

1.3 PROFIT

Your Company has earned a Total Comprehensive Income of ₹ 3,006.55 crore during the financial year 2019-20 as against Rs. 2,618.14 crore in the financial year 2018-19.

1.4 NET WORTH

Your Company's net worth as on March 31, 2020 was ₹ 29,983.91 crore as compared to ₹ 29,214.73 crore at the end of previous financial year.

1.5 SHARE CAPITAL

Your Company's paid-up share capital as on March 31, 2020 was ₹ 10,045.03 crore which remained unchanged during the financial year 2019-20.

2. DISINVESTMENT BY THE GOVERNMENT OF INDIA

President of India was holding 7,36,59,64,993 equity shares constituting 73.33% of the total paid-up share capital as on April 1, 2019. During the financial year 2019-20, Government of India divested its holding in NHPC by transferring 2,20,34,198 and 21,71,58,119 shares to Bharat 22 Exchange Traded Fund (ETF) in October, 2019 and CPSE ETF in February, 2020 respectively. After the transfer of shares, Government of India's holding in NHPC reduced to 7,12,67,72,676 shares constituting 70.95% of the total paid-up share capital as on March 31, 2020.

3. DIVIDEND

Your Company has a consistent track record of dividend payment. The Board of Directors has recommended a final dividend of ₹ 0.32 per equity share for the financial year 2019-20 amounting to ₹ 321.44 crore. The above dividend is in addition to the interim dividend of ₹ 1.18 per equity share amounting to ₹ 1,185.31 crore (excluding dividend distribution tax) paid in March, 2020. Accordingly, total dividend for the financial year 2019-20 comes to ₹ 1.50 per equity share.

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 2019-20 (subject to approval of final dividend by the members of the Company) @ ₹ 1.50 per share will be ₹ 1,506.75 crore (excluding dividend distribution tax on interim dividend) representing 50% of Profit after Tax for financial year 2019-20 & 5.03% of Net worth as on March 31, 2020 as against total dividend pay-out of ₹ 1,466.58 crore representing 56% of the Profits after Tax for financial year 2018-19 & 5.02% of Net worth as on March 31, 2019 in the previous year.

The Dividend Distribution Policy is given as a separate annexure to this report and is also available on website of the Company i.e. www.nhpcindia.com.

4. OPERATIONAL PERFORMANCE

During the financial year 2019-20, your Company has achieved highest ever generation of 26,121 MUs, surpassing the generation target of 26,000 MUs for the 'Excellent' rating under MoU with Ministry of Power, Government of India. The above generation is excluding the deemed generation of 195 MUs from Nimoo Bazgo and Chutak Power Stations.

During the year, thirteen power stations have achieved highest ever generation since their commissioning. The pondage power stations i.e. other than run of the river & restricted plants achieved Plant Availability Factor (PAF) of 89.30%. The overall PAF of all the hydropower Stations was 84.04%. Seven power stations viz. Salal, Tanakpur, Uri, Dhauliganga, Sewa-II, Uri-II & Kishanganga have achieved highest ever PAF since their commissioning during the year. The power station wise generation and PAF are given at **Table 2**.

Table 2: Power Station wise generation and PAF during the financial year 2019-20

NAME OF POWER STATION	GENERATION TARGET* (MU)	ACTUAL GENERATION (MU)	PAF TARGET* (%)	ACTUAL PAF (%)
PONDAGE POWER STATIONS**				
Loktak (105 MW)	600	367	95.75	90.64
Chamera – I (540 MW)	2460	2663	96.25	95.19
Rangit (60 MW)	340	355	96.25	95.35
Chamera – II (300 MW)	1470	1237	96.25	54.89
Dhauliganga (280 MW)	1100	1325	94.25	98.99
Dulhasti (390 MW)	2200	2065	94.05	79.75
Teesta – V (510 MW)	2720	2832	95.75	97.50
Sewa – II (120 MW)	500	648	96.25	104.04
Chamera – III (231 MW)	1085	1056	96.25	93.16
TLDP – III (132 MW)	585	582	93.75	95.43
TLDP – IV (160 MW)	720	739	93.25	89.42
Sub Total (A)	**13780**	**13869**	**95.35**	**89.30**
RUN OF THE RIVER POWER STATIONS & RESTRICTED PLANTS				
Baira Siul (180 MW)	300	331	57.00	44.81
Salal (690 MW)	3520	4010	79.00	97.43
Tanakpur (94.2 MW)	450	558	68.00	84.41
Uri (480 MW)	2920	3408	78.00	93.61
Chutak[1] (44 MW)	47	98	47.00	51.05
Nimoo Bazgo[1] (45 MW)	110	172	68.00	75.02
Uri – II (240 MW)	1490	1794	83.00	97.91
Parbati – III (520 MW)	685	692	59.00	61.83
Kishanganga (330 MW)	1700	849	89.00	48.92
Parbati – II[2] (800 MW)	300	190	-	-
Sub Total (B)	**11522**	**12102**	**73.85**	**78.37**
TOTAL (A+B) (HYDRO)	**25302**	**25971**	**85.00**	**84.04**
Wind Power Project, Jaisalmer (50 MW)	100	53	-	-
Solar Power Project, Tamil Nadu (50 MW)	98	97	-	-
TOTAL	**25500**	**26121**	**85.00**	**84.04**

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

** PAF targets shown for the financial year 2019-20 are as per MoU for pondage power stations only i.e. run of river power stations and restricted plants were excluded.

Note:

1. Generation excludes deemed generation from Chutak Power Station (102.6 MUs) & Nimoo Bazgo Power Station (92.40 MUs).
2. Generation shown is infirm power.

The remote controlled operation of Teesta Low Dam-III Power Station, West Bengal and Teesta Low Dam-IV Power Station, West Bengal from Regional Office, Siliguri was successfully implemented during the year.

Your Company has undertaken Renovation & Modernization for Life Extension (R&M LE) of its two power stations on completion of their useful life of 35 years. These power stations are Bairasiul (180 MW), Himachal Pradesh and Loktak (105 MW), Manipur.

At Bairasiul Power Station, the R&M LE of one unit (Unit # II) has been completed and of second unit (Unit # I) is under progress. Scheduled completion of R&M LE is during the financial year 2021-22 with concurrent availability of two units for generation and one unit under R&M. The R&M LE of Loktak Power Station has been approved by Central Electricity Regulatory Commission (CERC) which is scheduled during the period 2021-24.

5. COMMERCIAL PERFORMANCE

5.1 SALES AND REALIZATION

During the year under report, your Company's revenue from operations stood at ₹ 8,735.41 crore. Company's collection during the year was ₹ 7,500.56 crore against billing of principal amount of ₹ 7,642.26 crore i.e. more than 98%. We are pleased to inform that your Company has been able to realize an amount of ₹ 7,817.53 crore including surcharge of ₹ 325.66 crore during the financial year 2019-20. Your Company has also earned net deviation charges of ₹ 156 crore (approx.) by efficient operation and timely response to changes in the grid frequency during the financial year 2019-20.

As on March 31, 2020, the total outstanding dues of ₹ 2,677.61 crore (including surcharge of ₹ 453.47 crore) were pending for more than 45 days. The outstanding amount mainly pertains to Power Development Department, UT of Jammu & Kashmir (₹ 1,467.83 crore) and Uttar Pradesh Power Corporation Limited (₹ 746.09 crore).

Your Company is making all efforts to liquidate the outstanding dues by continuous follow-up with beneficiaries.

5.2 SIGNING OF POWER PURCHASE AGREEMENTS (PPAs)

Availability of long term PPAs for Power Stations of your Company is the key to its sustainability. These PPAs give revenue visibility for the Company and assured rate of return. Your Company strives for signing of long term PPAs for its Power Stations. NHPC has long term PPAs with beneficiaries for most of its Power Stations. Major achievements on front of PPAs during the year 2019-20 are as follows:

6. STATUS OF CONSTRUCTION PROJECTS

Your Company is presently engaged in the construction of two hydro-electric projects with an aggregate installed capacity of 2,800 MW. Construction activities at these projects remained suspended from March 23, 2020 till April 22, 2020 due to nationwide lockdown ordered by Central Government/State Government in view of CoVID-19 Pandemic. The status of these on-going projects is as under:

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

Parbati-II H.E. Project is being constructed on the River Parbati in Kullu District of Himachal Pradesh as a run of the river scheme. Major civil works of dam, intake structure, de-silting chamber, pressure shafts, surge shaft, powerhouse and works at Jiwa Nallah have been completed. Electro-Mechanical (E&M) works of powerhouse has also been completed. Excavation of Head Race Tunnel (HRT) by Tunnel Boring Machine (TBM), which is critical for completion of the project is under progress. Drilling & Blasting Method (DBM) package for execution of 1500m HRT works of the project has been awarded in June, 2020 subsequent to part termination of work of agency executing through TBM.

First and second units have been successfully synchronized with grid at part-load in September, 2018 by using discharge from Jiwa Nallah. Third and fourth units have also been successfully test synchronized with grid in September, 2019. Project is anticipated to be commissioned by December, 2021.

Sl. No.	Name of State/Union Territory/Distribution Companies	Name of Power Station	Validity Period (in years) from Commercial Date of Operation (COD)
Operating Power Stations			
1	Jammu & Kashmir	Uri-II	10*
2	Uttar Pradesh Power Corporation Limited (UPPCL), Uttar Pradesh	Uri-II and Parbati-III	35
3	BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL) and Tata Power Delhi Distribution Limited (TPDDL), Delhi		40
4	Uttarakhand Power Corporation Limited (UPCL), Uttarakhand		
5	Haryana Power Purchase Centre (HPPC), Haryana		
Construction Projects			
6	Department of Power, Arunachal Pradesh	Subansiri Lower HE Project	40
7	Kerala State Electricity Board	Floating Solar Plant	25**

*PPA renewed for 5 years.

**Useful life for Solar Power Plant is 25 years only.

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

As per the order of Hon'ble National Green Tribunal (NGT) in July, 2019, the project be advanced in public interest. A MoA has been signed with Government of Assam for implementation of Subansiri Lower HE Project in August, 2019. A PPA has also been signed with Government of Arunachal Pradesh for the supply of power from project in August, 2019. Pursuant to NGT order and signing of MoA with Government of Assam, construction activities of the project were resumed in October, 2019. Tender for Power House package (Lot-SSL-6 works) is in progress. Erection of Draft Tube (DT) Gates 3, 4 & 5 have also been completed. Project is anticipated to be commissioned by September, 2023.

7. PROJECTS UNDER CLEARANCE/ APPROVAL

Your Company recognizes the importance of expansion of its activities to maintain its sustainable leadership position, in addition to take up of green field projects.

Your Company is participating in the bidding process for takeover of stressed hydro projects of country through CIRP process. During the year 2019-20, NHPC has taken over LTHPL and was declared as a successful resolution applicant for Jal Power Corporation Limited, subject to approval of Hon'ble NCLT.

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

Table 3: Projects under clearance/approval stage:

S. No.	PROJECT	STATE/UNION TERRITORY (UT)	INSTALLED CAPACITY (MW)
A. STANDALONE BASIS			
(a) HYDRO PROJECTS			
i	Kotlibhel – IA*	Uttarakhand	195
ii	Teesta-IV	Sikkim	520
iii	Dibang	Arunachal Pradesh	2,880
iv	Tawang-I		600
v	Tawang-II		800
vi	Bursar	Jammu & Kashmir	800
vii	Goriganga-IIIA	Uttarakhand	150
	Sub-total (a)		**5,945**
(b) WIND PROJECTS			
i	Wind Project, Palakkad	Kerala	8
	Sub-total (b)		**8**
	Total A (a+b)		**5,953**
B. THROUGH SUBSIDIARIES/JOINT VENTURES			
(a) HYDRO PROJECTS			
i	Loktak Downstream H.E. Project through Loktak Downstream Hydroelectric Corporation Limited (A Joint Venture with Govt. of Manipur)	Manipur	66
ii	Kwar (A Joint Venture with JKSPDC & PTC India Limited)	Jammu & Kashmir	540
iii	Ratle (A Joint Venture with JKSPDC – yet to be incorporated)**		850
iv	Chamkharchhu – I (A Joint Venture with Druk Green Power Corporation Limited, Bhutan – yet to be incorporated) in Bhutan	-	770
	Sub-total (a)		**2,226**

(b) SOLAR PROJECTS			
i	Project in Jalaun District of U.P. through Bundelkhand Saur Urja Limited (A Joint Venture with UPNEDA)***	Uttar Pradesh	32
	Sub-total (b)		**32**
	Total B (a+b)		**2,258**
	Grand Total (A+B)		**8,211**

*Approval of the Public Investment Board (PIB) for the project is subject to clearance by the Hon'ble Supreme Court. Other construction activities of the project will be dependent upon the decision of Hon'ble Court.

**MoU has been signed for implementation of Ratle H.E. Project through a Joint Venture Company, to be incorporated initially with equity shareholding of 51% by NHPC and 49% by Jammu & Kashmir State Power Development Corporation Limited (JKSPDC). The equity of NHPC shall be purchased by JKSPDC from the end of 5th year after the date of commissioning over the period of 15 years in equal installments.

***MoU was signed between NHPC and Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) for setting up of 50 MW solar power project in UP. Since the land is presently available for 32 MW project only therefore fresh proposal to enhance the capacity of the project for ascertaining its commercial viability is under process.

8. PROJECT UNDER PREPARATION OF DETAILED PROJECT REPORT (DPR)

Dugar HE Project (449 MW), Himachal Pradesh

The Dugar HE Project, situated in the Lahaul-Spiti Valley of Himachal Pradesh, has been allotted to NHPC by Government of Himachal Pradesh on Build Own Operate & Transfer basis (BOOT) for a period of 70 years pursuant to MoU signed in September, 2019. The work of updating existing DPR, as taken over from the earlier developer, is being carried out, for additional investigations & studies. The Project offers limited accessibility during the year, due to harsh climatic conditions. The project will be executed on fast track basis after the clearance from Cabinet Committee on Economic Affairs (CCEA), Govt. of India.

9. DIVERSIFICATION

Your Company is making efforts to diversify its activities by taking projects of different sources of renewable energy viz. solar, wind etc. The efforts of the Company for establishment of such projects are as under:

9.1 SOLAR POWER PROJECTS

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

The Ministry of New and Renewable Energy (MNRE), Government of India has allotted the States of Telangana and Odisha (for Floating Solar) and Union Territory of J&K to NHPC, to explore the possibility of development of UMREPPs. Discussions regarding modalities to implement UMREPPs, based on available potential in States/UT are in progress. NHPC has envisaged following projects for exploration and development under UMREPP:

(i) 500 MW Floating Solar Project in Odisha

A MoU has been signed between NHPC Limited and Green Energy Development Corporation of Odisha Limited (GEDCOL) in July, 2020 through video conferencing. As per the MoU, parties may collaborate and cooperate to form a Joint Venture Company (JVC) to plan & develop techno-commercially feasible floating solar power projects of 500 MW in a phased manner, preferably in packages of 50 MW each in the State of Odisha under UMREPPs scheme of MNRE. The parties also agreed to explore further potential to install floating solar projects after joint identification in subsequent periods in the Odisha State.

(ii) 500 MW Floating Solar Project in Telangana

A Joint Venture Company between NHPC and Telangana State Renewable Energy Development Corporation Limited (TSREDCO) (State Nodal Agency) is under discussion for jointly exploring and developing viable floating solar power projects with an aggregate capacity of 500 MW in reservoir of Mid Manair Dam, Karim Nagar, Telangana. The MoU will be signed after the approval from Govt. of Telangana.

(iii) 50 MW Floating Solar Project, Kerala

NHPC is in the process for development of Floating Solar Power project in West Kallada, Kerala. Letter of Award for 10 MW Floating Solar Project under 1st Phase was cancelled, due to non-submission of Performance Bank Guarantee (PBG) by Engineering, Procurement and Construction (EPC) Contractor. Kerala State Electricity Board (KSEB) has given its consent to go ahead with the implementation of 50 MW Floating Solar Project in one go under UMREPP Scheme of MNRE. Notice Inviting Tender (NIT) for EPC bids have been issued on June 30, 2020.

(iv) Explorations at other locations

Development of UMREPPs at other locations is also being explored. Land Identification in various other potential rich States is in process and arrangement of private land through invitation of Expression of Interests from Land Aggregators are also being considered to take advantage under the MNRE Scheme.

9.1.2 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. Approvals of State Technical Committee for both the projects have been obtained and necessary lands for development of these projects have been identified. The approval for allotment of land for 40 MW Project at Ganjam District has been conveyed by Industrial Development Corporation of Odisha Limited (IDCOL) and land identified for 100 MW Project at Deogarh District has been earmarked by IDCOL. Other activities for the development of Solar Projects are in progress.

(ii) Other utility scale solar projects

NHPC is also exploring the possibilities of other utility scale solar projects in different States/UTs such as Telangana (293 MW), Tamil Nadu (25X25 MW) and Leh (50 MW).

(iii) Development of Solar Projects in Facilitator Mode (As a trader)

Request for Selection (RfS) Document for selection as a developer was invited for the development of aggregate 2,000 MW Solar Power Projects on anywhere in India basis. E-Reverse Auction for the above RfS has been successfully conducted by NHPC on April 16, 2020. Letter of Award (LOA) for entire 2,000 MW has been issued and signing of PPA (Power Purchase Agreement-with Developers) and PSA (Power Sale Agreement-with DISCOMS/Consumers) is under process.

9.2 WIND POWER PROJECTS

Kerala Wind Power Project (72 MW)

NHPC has taken up development of Wind Power Projects in the State of Kerala. A MoU with the Power Department, Government of Kerala has also been signed. Earlier the Kerala Government had asked NHPC, to tap the high wind potential available in Agali village of Palakkad district, as per availability of evacuation infrastructure. Due to poor response to Notice Inviting Tender (NIT) for earlier envisaged 8 MW, Kerala State Electricity Board (KSEB) has given its consent to explore the possibilities for implementation of 72 MW Project in one go, so as to conceive a viable proposition. Necessary exploration of power evacuation arrangements and additional land for scaling up the project is in progress.

9.3 POWER TRADING

Your Company, as part of business expansion and diversification program, has ventured into power trading business. Endeavour of power trading business of the Company is to provide efficient and smart business solution for its clients i.e. Buyers/ DISCOMs, Generator/Sellers, utilities etc. CERC has granted Category-I trading license in April, 2018 for interstate trading of electricity in whole of India. NHPC is registered at DEEP (Discovery of Efficient Electricity Price) e-bidding portal and has obtained trader membership in Indian Energy Exchange (IEX) & Power Exchange of India Limited (PXIL). During March, 2020, NHPC has achieved 6th position among the traders for short term transactions. Company has traded 2,022 MUs with the turnover of ₹ 695.84 crore (including Agency nature of Power Trading Business) during financial year 2019-20. Company has successfully executed the tenders for Uttar Pradesh, Andhra Pradesh, Tamil Nadu and UT of J&K during 2019-20.

10. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has the following subsidiaries/ associates/joint venture companies as on March 31, 2020:

Name of the Company	Details of joint venture partners (equity participation)	Performance of the Company during FY 2019-20
SUBSIDIARY COMPANIES		
NHDC Limited (NHDC)	NHPC (51.08%) and Government of Madhya Pradesh (48.92%)	NHDC has two operating power stations viz. Indira Sagar (1,000 MW) and Omkareshwar (520 MW) in Madhya Pradesh. During the year 2019-20, NHDC had generated 4,109.63 MUs from its power stations i.e. 2,877.34 MUs from Indira Sagar Power Station and 1,232.29 MUs from Omkareshwar Power Station.

		NHDC is also exploring the possibilities for capacity addition by diversification of its activities in renewable sources of energy i.e. solar power projects in the state of Madhya Pradesh.
Loktak Downstream Hydroelectric Corporation Limited (LDHCL)	NHPC (73.17%) and Government of Manipur (26.83%)	LDHCL is currently implementing Loktak Downstream Hydro-electric Project (66 MW) in Tamenglong, Manipur. All statutory clearances for the project have been received. Tendering process for the EPC packages has already been initiated. Efforts for expeditious signing of PPA is under process. The Government of Manipur has also allocated hydro-electric component of Thoubal Multipurpose Scheme (7.5 MW) to the Company. The Board of NHPC Limited has accorded its in-principle approval for equity contribution for this project. The project, at present, is under investigation stage.
Bundelkhand Saur Urja Limited (BSUL)	NHPC (99.99%) and Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA)	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. 63.491 Ha land has been transferred to BSUL. On the basis of availability of land, a 32 MW Solar Power Plant was envisaged for implementation. As per the discovered EPC cost after retendering, the current proposal for installation of 32 MW project was not found techno-commercial viable. As such, fresh proposal to scale up the capacity of Project by allocation of additional land to BSUL is under consideration with UPNEDA.
Lanco Teesta Hydro Power Limited (LTHPL)	Wholly Owned Subsidiary	LTHPL is executing 500 MW Teesta VI HE Project in Sikkim. NHPC has acquired LTHPL through CIRP process in October, 2019 and infused equity of ₹ 897.50 crore as consideration amount pursuant to approved resolution plan. The Cabinet Committee on Economic Affairs, Government of India has accorded its investment approval of ₹ 5,748.04 crore for the acquisition of LTHPL and execution of balance works of Teesta VI HE Project in March, 2019. Major contract packages i.e. Lot-1 and Lot-2 of the Project have been awarded in March, 2020. Tenders for the award of balance Hydro-Mechanical (HM) and E&M works are under process.

ASSOCIATE/JOINT VENTURE COMPANIES		
Chenab Valley Power Projects Private Limited (CVPPPL)	NHPC Limited (49.89%), Jammu & Kashmir State Power Development Corporation Limited (49.89%) and PTC India Limited (0.22%)	Three projects viz. Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW) and Kwar HE Project (540 MW) in UT of Jammu & Kashmir are being developed by CVPPPL. The Company has taken up infrastructure development works of these projects viz. roads, bridge, building etc. The works of Pakal Dul HE project is being executed through five packages of major components viz. HRT-TBM, Dam, Power house, HM and E&M. The works for Dam, Power house, E&M and HM packages have been awarded. Bids for HRT-TBM package are under process. The tenders for all the three packages viz. Civil, HM and E&M of Kiru HE Project have been awarded in February, 2020. However, tenders are being re-invited for all the three packages of Kwar HE Project.
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. The laboratory for High Voltage Transformer (HVTR) at 400 kV level and 765kV level is already in operation at Bina, Madhya Pradesh. Laboratory for Medium Voltage Transformer (MVTR) is expected to be commissioned by September, 2020.

During the financial year 2019-20, LTHPL has become wholly owned subsidiary of NHPC. Further, during the year 2019-20, CVPPPL ceased to be subsidiary of NHPC as required matching contribution was made by JKSPDC.

A statement containing the salient features of the financial statements of your Company's Subsidiaries, Associate Companies and Joint Ventures 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 Company during the period 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 the 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 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 & 14001 certified i.e. certification for sustainable development as well as for the Occupational Health & Safety Management System (OHSMS/OHSAS-18001/45001). 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. The average annual turnover of consultancy services rendered to different clients during the last five years is ₹ 40 crore.

13. FINANCING OF NEW PROJECTS

Your directors believe that internal accruals of the Company would be sufficient to finance the equity component for the new/upcoming projects. Your Company is well positioned to raise the borrowings as per CERC norms, given its low geared capital structure and strong credit ratings. During the year 2019-20, your Company has raised ₹ 5,553.39 crore through various options of borrowing from domestic and international sources i.e. ₹ 4,000 crore through Corporate Bonds on private placement basis, ₹ 310 crore through Term Loan from State Bank of India, ₹ 554.64 crore sub-ordinate debt from Government of India, and ₹ 688.75 crore (1,079.55 JPY) from MUFG Bank, Hong Kong.

Your Company is also exploring options for domestic as well as international borrowing including overseas development assistance provided by multilateral/ bilateral agencies to meet its debt requirement for the planned capacity addition programmes.

14. CREDIT RATING

- **Domestic Rating**

Your Company has the 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. This signifies the highest credit rating in India, hence, carries lower credit risk for the investors.

- **International Rating**

S&P has maintained international rating 'BBB-' with stable outlook of the Company, equivalent to sovereign rating of India.

15. INFORMATION TECHNOLOGY AND COMMUNICATION

Your Company considers information technology as an important constituent for the attainment of sustainable growth in business. Your Company has implemented NICSI's e-Office (e-file) solution across all its locations to achieve paperless or less-paper office. A state-of-art 'Data Centre' equipped with latest technology has been made operational in January, 2020. Your Company has also been awarded ISMS 27001:2013 certification for its IT&C division including data centre. The implementation of ISMS 27001:2013 assures confidentiality, integrity and availability of information assets. During the period of nation-wide lockdown day to day functioning of the Company remain almost uninterrupted through the efficient functioning of various e-modules i.e. e-office, ERP, e-IOM etc. Your Company facilitated work from home for the employees.

Various units of the Company across India are connected to Corporate Office through multimode & fail-safe communication links. Enterprise Resource Planning (ERP) application has been implemented in NHPC to integrate all its business functions to improve information availability, transparency and decision making.

As per Government of India directives, e-procurement, Government e-Market (GeM) and e-Reverse auction system is operational in the Company. Your Company is also acting as a nodal agency for 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 6,131 employees, consisting of 3,380 executives and 2,751 non-executives as on March 31, 2020. The above workforce includes 649 women employees.

Your Company believes in lifelong learning and competency development for its employees for improving their performance and enhancing organizational capabilities. NHPC trains its employees through internal faculty and premier institutes. During the year, Training & Human Resource Development (T&HRD) division of your Company has organized various training and development programmes for its employees through premier management and engineering institutions like IIMs, IITs, ICAI etc. These programmes facilitate employees to enhance their skills and competencies for effective discharge of their responsibilities. Your Company also deputes senior and potential employees to foreign training programmes to keep them abreast with the latest developments in the field of hydropower. In addition to above, NHPC also sponsor its executives to acquire higher qualification and specialization to various institutions. NHPC has four training centers viz. Salal Power Station (UT of Jammu & Kashmir), Uri-I Power Station (UT of Jammu & Kashmir), Tanakpur Power Station (Uttarakhand) and Chamera-I Power Station (Himachal Pradesh).

NHPC is also encouraging web-learning for its employees. During the year 2019-20, various online programmes were conducted. Online progammes on

ERP modules, i.e. HR, finance, payroll, procurement & contract and inventory were conducted with different locations/units of the Company. All locations of the Company participated and benefited from web-learning. During the period of nation-wide lockdown, T&HRD division has organized various programmes for its employees through webinar.

Assessment Development Center (ADC) to identify & assess skills and competencies of General Managers was conducted. More than 200 Executives were assessed and Individual Development Plans have been prepared for their focused training.

The Industrial Relations in the Company remained cordial and harmonious during the year. Your Company believes that holistic and meaningful employee engagement and their right development will enhance employees' potential.

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 in this regard are extended to physically challenged persons in recruitment. The number of employees with disabilities as on March 31, 2020 was 117. 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 objective of the vigilance function is to ensure maintenance of the highest level of integrity throughout the Company. 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, 2020, five vigilance cases relating to misconduct, misappropriation and disproportionate assets against employees were under investigation.

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 organised 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 them. In compliance to the policy, annual procurement plan including items to be procured from Micro & Small Enterprises (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 2019-20, your Company has procured products and services from MSEs, which constituted 56.59% 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, 1003 MSEs were benefited out of which 73 MSEs and 8 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

Your Company had also organized/participated in two vendor development programmes in co-ordination with Ministry of Micro, Small and Medium Enterprises, Govt. of India to encourage participation of Micro and Small Enterprises.

22. IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company is committed for the implementation of Official Language Hindi at its various offices/ locations/units in day-to-day functioning in accordance to the provisions of the Official Languages Act, 1963 and rules notified thereunder. During the year 2019-20, quarterly meetings of the Official Language Implementation Committee of the Company and the Town Official Language Implementation Committee (Office), Faridabad were regularly organized to review the status of implementation of Official Language.

During the year, NHPC organized various programmes to encourage the use of Hindi like Akhil Bhartiya Rajbhasha Sammelan, Hasya Kavi Sammelan, Hindi Seminar on "Mahatma Gandhi's Language Contemplation", Hindi Pakhwara, Hindi Kavya Sangosthi etc. for its employees. In addition to above, Hindi typing training programmes, Hindi workshops and departmental computer workshops were regularly organized. Further, to increase the interest of employees in Hindi, an 'Online Hindi Quiz Competition' has been started in Corporate Office, Faridabad. Rajbhasha magazines titled 'Rajbhasha Jyoti' and 'Nagar Saurabh' were also published to encourage the use of Hindi.

Attractive incentive schemes for employees by contributing for articles/write-ups for in-house magazines, reading Hindi books, and noting and drafting in Hindi etc. have been implemented to encourage employees for active participation in promotion of Hindi.

The efforts made by the Company for the progressive use of Hindi were appreciated at various forums. Your Company received "Second Prize" for the year 2018-19 under the Rajbhasha Shield Yojna under the aegis of Ministry of Power, Govt. of India for excellent Official Language Implementation among the overall power sector. Your Company's website i.e. www.nhpcindia.com has bilingual mode of operating i.e. in Hindi and English.

23. SPORTS AND OTHER ACTIVITIES

During the year 2019-20, NHPC participated in various Inter CPSU tournaments organized under the aegis of Power Sports Control Board, Ministry of Power. NHPC teams were in award winning positions in Inter CPSU Badminton, Chess and Volleyball Tournaments. Your Company has organized Inter CPSU Carrom Tournament at Siliguri in December, 2019.

NHPC coordinated painting competitions under the National Awareness Campaign on Energy Conservation 2019 organized by the Ministry of Power, Government of India amongst school students in the states/union territory of Jammu and Kashmir, Manipur, Sikkim, Arunachal Pradesh and Madhya Pradesh. Shri Priyaranjan, DGM(HR), RO Itanagar was adjudged "Best Nodal Officer" under the category Union Territory, North-East and Himalyan States by the Ministry of Power, Government of India.

During the year, your Company also participated in various National & International exhibitions to showcase its activities.

24. RIGHT TO INFORMATION ACT

An elaborate mechanism is in place to deal 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, 32 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 2019-20, 458 applications and 53 first stage appeals were received out of which 454 (99.13%) applications and 52 (98.11%) first stage appeals were replied/disposed-off. 5 second stage appeals were filed by the applicants before the Central Information Commissioner (CIC) which were also disposed-off.

25. CORPORATE SOCIAL RESPONSIBILITY

Your Company has been actively engaged in various CSR activities over the years. The aim of CSR activities is to create a deeper positive impact on society at large by development of key areas, especially by addressing the social, economic, environmental and welfare concerns of stakeholders. CSR activities of the Company focus on equitable development through empowerment of marginalized and underprivileged sections/communities. The thrust areas under CSR inter-alia include Education, Health, Sanitation, Drinking water, Rural Development, Skill Development, Environment, Women Empowerment etc. A report on

CSR activities undertaken by your Company during the financial year 2019-20 is given as annexure to this report. The Corporate Social Responsibility & Sustainability Policy of your Company is available at http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_E_CMA_201811_1.pdf

26. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year 2019-20, the Company has not entered into any material transaction with any of its related parties. The Company's major related party transactions are generally with its subsidiaries and associates 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.

27. 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, in 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. The identity of the complainant/informant is kept confidential while enquiring any complaint under the policy 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 to deal such complaints reported under the policy.

During the year 2019-20, one complaint was received under Whistle Blower Policy. The compliant was examined as per prescribed procedure under the policy and report was submitted to Chairperson of the Audit Committee. During the year, no person was denied access to the Audit Committee on issues relating to 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.

28. 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 the 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 complaint(s) 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 incorporated sexual harassment as misconduct under "NHPC Conduct, Discipline and Appeal Rules".

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year 2019-20 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	
C	Number of complaints disposed off during the financial year	
D	Number of complaints pending as on end of the financial year	

29. DEBENTURE TRUSTEES

In compliance to the requirements of 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.

30. COVID-19

The threat of a great depression is looming large on the world as well as the nation's economy due to CoVID-19 pandemic. The country is passing through a period of all time low on the economic front due to pandemic. The Power Sector is not left untouched from the threat, however, it performed efficiently during this difficult period. Your Company had provided uninterrupted power supply and ensured its operations continued 24X7. NHPC, being a pioneer in hydro-power generation in India, had proven the importance of hydropower by contributing to stability of National Grid during the Hon'ble Prime Minister's '9PM9MIN' initiative on April 5, 2020. NHPC stood by the nation in this moment of crisis and contributed ₹ 40 Crore towards PM CARES Fund from its CSR Budget.

31. 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**
Extract of Annual Return	**VII**
Dividend Distribution Policy	**VIII**

32. AUDIT AND AUDITORS' REPORT

32.1 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 2019-20. 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-IX.**

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-X.**

32.2 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 2019-20:

1. M/s DSP & Associates, New Delhi;
2. M/s Lodha & Co, Kolkata; and
3. M/s Arora Vohra & Co, Jammu

The Joint Statutory Auditors have given un-modified report on the financial statements of the Company for the financial year 2019-20. 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-XI**. The consolidated financial statements of the Company along-with the Statutory Auditors' Report thereon are given at **Annexure-XII**.

32.3 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, 2020 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, 2020 are given at **Annexure- XIII.**

32.4 COST AUDIT

The Company maintains necessary cost records as specified by Central Government under sub-section (1) of Section 148 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 2019-20 under Section 148 of the Companies Act, 2013:

Name of the Firm	Name of Power Station
M/s Chandra Wadhwa & Co., Delhi (Lead Cost Auditor)	Dulhasti and Salal
M/s Balwinder & Associates, Mohali-Punjab	Chamera-II, Chamera-III and Sewa-II
M/s Sanjay Gupta & Associates, Delhi	Uri-I, Uri-II and Kishanganga
M/s K. L. Jaisingh & Co., Noida	Dhauliganga, Wind Power Project (Jaisalmer) and Tanakpur
M/s K. G. Goyal & Associates, Jaipur	Chamera-I, Baira Siul and Parbati-III
M/s R. J. Goel & Co., Delhi	Chutak and Nimoo Bazgo
M/s DGM & Associates, Kolkata	Rangit, Teesta-V and TLDP-III
M/s Niran & Co., Kolkata	Loktak, TLDP-IV and 50 MW Solar Power Project (Tamil Nadu)

The consolidated Cost Audit Report in XBRL format for the financial year ended March 31, 2019 was filed with the Central Government on October 15, 2019. The Cost Audit Report for the financial year ended March 31, 2020 shall be filed within the prescribed time period.

33. 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.

34. 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 Key Managerial Personnel and other 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.

35. BOARD AND COMMITTEES OF THE BOARD

During the financial year 2019-20, the Board of Directors of your Company met ten times. The details of the meetings and attendance thereat are given in the Corporate Governance Report, which forms part of this report.

Your Company has Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee, Committee on Corporate Social Responsibility & Sustainable Development and other Board Level Committees. The composition and meetings of these Committees are given in the Corporate Governance Report, which also forms part of this report.

During the financial year 2019-20, there was no instance, where the Board has not accepted the recommendation(s) of any committee of the Board which is mandatorily required.

36. 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. Based on the recommendation of Nomination & Remuneration Committee, the annual performance evaluation of Board, Board level Committees and Independent Directors of the Company for the year 2018-19 has been carried out by the Board in its meeting held in March, 2020. 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 Ministry of Power (Administrative Ministry). The process of annual performance evaluation of Board, Board level Committees and Independent Directors is given in the Corporate Governance Report.

37. 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.

38. 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).

39. 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.

40. 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	http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_E_CMA_201811_1.pdf
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
Extract of Annual Return	http://www.nhpcindia.com/NHPC-annual-reports.htm

41. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

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

1. Shri Satya Prakash Mangal, Prof. Kanika T. Bhal and Prof. Arun Kumar ceased to be Independent Directors on the Board of the Company on completion of their tenure on November 17, 2019.
2. Shri Balraj Joshi ceased to be Chairman & Managing Director of the Company w.e.f. December 31, 2019 on attaining the age of superannuation.
3. Shri Abhay Kumar Singh was appointed as Chairman & Managing Director of the Company w.e.f. February 24, 2020 as per order of Administrative Ministry i.e. Ministry of Power. Earlier, Shri Ratish Kumar, Director (Projects) held the additional charge of the post of Chairman & Managing Director from January 1, 2020 to February 24, 2020.
4. Shri Janardan Choudhary ceased to be Director (Technical) of the Company w.e.f. March 31, 2020 on attaining the age of superannuation.
5. Shri Yamuna Kumar Chaubey was appointed as Director (Technical) of the Company w.e.f. April 1, 2020 as per order of Ministry of Power.
6. Shri Aniruddha Kumar ceased to be Nominee Director of the Company w.e.f. May 29, 2020 pursuant to order of Ministry of Power.
7. Shri Tanmay Kumar was appointed as Nominee Director of the Company w.e.f. June 11, 2020 pursuant to order of Ministry of Power.

Details of remuneration/sitting fee paid to directors during the year 2019-20 are given in the Corporate Governance Report.

All Independent Directors of the Company as on March 31, 2020, have declared that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI LODR. They have further declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Independent Directors have also declared that they have complied with Rule 6(1)&(2) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 regarding inclusion of their name in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA).

Shri Nikhil Kumar Jain, Director (Personnel) and Shri Mahesh Kumar Mittal, Director (Finance), are liable to retire by rotation and being eligible are proposed to be re-appointed at the forthcoming Annual General Meeting. A brief profile of the Directors proposed to be appointed/re-appointed at the forthcoming AGM is provided in the notice of the AGM.

42. ACKNOWLEDGEMENT

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

The Board is also thankful to all its stakeholders, including bankers, investors, members, customers, consultants, contractors, vendors, etc. for their continued support and confidence reposed in the Company.

The Board also acknowledges the constructive 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 valuable guidance and significant contribution made by Shri Balraj Joshi, Shri Janardan Choudhary, Shri Aniruddha Kumar, Shri Satya Prakash Mangal, Prof. Arun Kumar and Prof. Kanika T. Bhal during their 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 achieved during the year 2019-20.

Last but not the least, the Board salutes with gratitude to all functionaries and personnel in the Government, doctors, healthcare & medical staff, police, law enforcement and other agencies who are at the frontline to fight the pandemic by keeping essential services operational. NHPC is proud 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, 2020

Place: Faridabad

Annexure-I

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company strongly believes that Corporate Governance is a value based framework to manage the affairs of the Company in a fair, ethical and transparent manner, which goes beyond the practices enshrined in the laws.

Since vast quantum of societal resources are being utilised by your Company, therefore, the governance process should ensure, utilisation of such resources in a manner that meets stakeholders' aspirations and societal expectations. Our philosophy on Corporate Governance is implemented by compliance to all regulatory provisions applicable to the Company such as 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 by the Government of India issued from time to time.

The report on Compliance with the conditions of corporate governance and the disclosure requirements for the year 2019-20 is given as under:

2. BOARD OF DIRECTORS

The primary role of Board is to protect and enhance shareholders value through strategic supervision. The Board also sets 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 to enable it to discharge its responsibility in an effective & efficient manner.

The Board of your Company constantly endeavors to set new goals and targets that complement the vision & mission of your Company, so that the interest of stakeholders be protected to sustain the achieved growth and maintain credibility earned.

(i) Size & Composition of the Board:

In terms of Articles of Association of the Company, the strength of Board shall have minimum four and not more than fifteen directors. As on March 31, 2020 the Board comprised of eight Directors out of which five were Executive Directors (Whole-Time Directors including Chairman & Managing Director), two were Independent Directors and one was Government Nominee Director.

NHPC Limited is a government company within the meaning of section 2(45) of the Companies Act, 2013 and is under the 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/ competencies required in the Board to function effectively are decided by the Govt. of India.

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

During the year under report, in absence of requisite number of Independent Directors on the Board of the Company, the composition of the Board of Directors was not in conformity with the provisions of the SEBI LODR and DPE Guidelines. Requests have been made to Government of India through MoP/ DPE to appoint requisite number of Independent Director on the Board of the Company.

(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 the 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 ten times during the financial year 2019-20. The details of board meetings held during the financial year 2019-20 and attendance thereat are given in **Table 1**:

Table 1: Board meetings held during the Financial Year 2019-20

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.	424	May 27, 2019	11	11	-	100
2.	425	July 29, 2019	11	8	2	91
3.	426	August 09, 2019	11	9	-	82
4.	427	September 17, 2019	11	10	1	100
5.	428	October 09, 2019	11	10	-	91
6.	429	November 11, 2019	11	10	-	91
7.	430	December 30, 2019	8	7	1	100
8.	431	February 07, 2020	7	7	-	100
9.	432	February 24, 2020	7	3	1	57
10.	433#	March 14, 2020	8	8	-	100

* Rounded off

\# Meeting was held at one of the tourist destinations suggested by Department of Public Enterprises.

The maximum time interval between any two meetings of Board did not exceed three months. Necessary quorum was present for all the meetings. The agenda items usually placed before the Board of Directors for their consideration which inter-alia include the following:

- Annual operating plans, budgets and related updates.
- Capital budgets and related updates.
- Quarterly and annual financial results of the Company.
- Constitution/ Re-constitution of Board Committees with terms of reference.
- Directors' Report.
- Appointment of Key Managerial Personnel and promotion of senior officers to the level of Executive Director, which is just below the Board level.
- Minutes of the meetings of audit committee and other committees of the Board.
- 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 about their directorships/ memberships.
- Declaration of independence by independent directors.
- Status of under construction projects, O&M power stations of NHPC and projects under pre-investment stage.
- Significant capital investment proposals or award of large 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 the SEBI (LODR), 2015 and other statutes.

The detail of Directors, their attendance at Board meeting/ last AGM, number of shares held in Company, name of other listed companies in which Director is a director and number of directorships & board committee membership(s)/ chairpersonship(s) held in other companies as on March 31, 2020 are given in **Table 2**.

Table 2

Name of Director (Shri/Smt.)	Number of Board Meetings held and attended during their respective tenure	Attendance at last AGM (September 23, 2019)	Number of Shares held in the Company	Number of directorships 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[1]	1/1	N.A.	16,425	2	-	-	-
Balraj Joshi, Chairman & Managing Director[2]	7/7	YES	12,391	N.A.	N.A.	N.A.	N.A.
Ratish Kumar, Director (Projects)	10/10	YES	15,986	2	-	-	-
Nikhil Kumar Jain, Director (Personnel)	9/10	YES	-	-	-	-	-
Mahesh Kumar Mittal, Director (Finance)	10/10	NO	-	2	-	-	PTC India Limited (Nominee Director)
Janardan Choudhary, Director (Technical)[3]	9/10	YES	21,056	-	-	-	-
Government Nominee Directors							
Aniruddha Kumar, Joint Secretary (Hydro), Ministry of Power	9/10	YES	1,500	2	-	1	SJVN Limited (Nominee Director)
Independent Directors							
Satya Prakash Mangal[4]	6/6 (including one meeting attended through Video Conferencing)	YES	15,000	N.A.	N.A.	N.A.	N.A.
Kanika T. Bhal[4]	4/6	YES	-	N.A.	N.A.	N.A.	N.A.

Arun Kumar[4]	5/6 (including one meeting attended through Video Conferencing)	YES	-	N.A.	N.A.	N.A.	N.A.
Bhagwat Prasad	9/10	YES	-	-	-	-	-
Jugal Kishore Mohapatra	9/10 (including three meeting attended through Video Conferencing)	NO	-	4	1	-	-

* 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. 24.02.2020.

2. Ceased to be Director on the Board of the Company w.e.f. 31.12.2019 on attaining the age of superannuation.

3. Ceased to be Director on the Board of the Company w.e.f. 31.03.2020 on attaining the age of superannuation.

4. Ceased to be Director on the Board of the Company w.e.f. 17.11.2019 on completion of tenure.

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 a chairperson of more than five (5) committees across all the companies in which he is a director. For the purpose of determination of limit of the Board Committees, Chairmanship or Membership of Audit Committee & Stakeholders' Relationship Committee has 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 is serving as an independent director in more than seven listed companies.

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

(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. Accordingly, the appointing authority considers the integrity, expertise and experience of the individual to be appointed/ nominated as Independent Director on Board of the Company.

All the Independent Directors as on March 31, 2020 have given declaration that they meet the criteria of independence in accordance with the provisions of the Companies Act, 2013 and SEBI LODR. Based on the declarations, Board is of the opinion that the Independent Directors fulfil the conditions of independence as specified in Companies Act, 2013 & SEBI LODR and are independent of the management.

The Independent Directors have also declared that they have complied with the requirements of Rule 6(1) & (2) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 regarding inclusion of their name in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA).

None of the Independent Directors has resigned from the Company before the expiry of his/her tenure. However, during the year under report, Shri Satya Prakash Mangal, Prof. Arun Kumar and Prof. (Smt.) Kanika T. Bhal ceased to be Independent Directors of the Company on completion of their tenure on November 17, 2019.

(vi) Familiarization Programme for Directors:

The Directors of the Company are nominated from time to time to attend conference/ programmes, conducted/ organised by Department of Public Enterprises, SCOPE and other reputed institutes, on Corporate Governance, Roles & Responsibilities of Directors and other industry related matters. All the

Board members of the Company were provided every opportunity to familiarise themselves with the Company, its management, its operations, industry perspective, etc. This enables them to augment their knowledge & skills, so that they can discharge their responsibilities effectively and efficiently.

A policy on training to Board members is also in place. The policy covers CMD and all other Directors on the Board of the Company.

The details of familiarization programmes attended by Directors during the financial year 2019-20 are available on the website of the Company and can be accessed at the following link:

http://www.nhpcindia.com/writereaddata/Images/pdf/Details%20of%20Director%20Training_FY2019-20%20-%20English.pdf

(vii) Performance Evaluation:

Ministry of Corporate Affairs (MCA) vide notification dated 5th June, 2015 had inter-alia exempted Government Companies from the requirement to specify the manner for effective evaluation of performance 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 evaluation of the performance of Board, its committees and individual directors has been made, in case, the performance of directors is evaluated by the Administrative Ministry in Charge of the Company.

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 appointing 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 to be assigned on the following scale:

Rating 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 the 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 2018-19 was carried out during the financial year 2019-20. The performance evaluation for financial year 2019-20 shall be carried out during financial year 2020-21. The 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 plays a crucial role in governance structure of the Company. The Committees focus on specific areas/ activities and assist the Board in taking an informed decision. The recommendations of the Committees on matters under their scope are placed before the Board for information/ approval. To ensure effective and focused decision making, the Board has constituted following mandatory and non-mandatory committees:

Mandatory Committees

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.

Non-mandatory Committees

1. Committee of Directors for Allotment and Post-allotment Activities of NHPC Securities.
2. Committee of Directors – Appellate Authority.

The composition, quorum, terms of reference, etc. of the statutory committees are in line with the provisions of the Companies Act, 2013, SEBI LODR and Guidelines on Corporate Governance issued by Department of Public Enterprises, Govt. of India. The Company Secretary acts as the Secretary to the Committees. Senior officials of the Company were also invited to provide necessary information/ clarification on the matters placed before the Committees, whenever required by the Committees.

The Board had accepted all the recommendation(s) of committee(s) of the board, which are mandatorily required to be recommended by the committee(s) for its appraisal.

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

3.1 Audit Committee

As on March 31, 2020, the Audit Committee comprised the following members:

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

Director (Projects), Director (Finance) and Director (Technical) are ex-officio invitees to the meetings of Audit Committee. Head of Internal Audit division 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 seven 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 Satya Prakash Mangal[1]	Prof. Kanika T. Bhal[1]	Prof. Arun Kumar[1]	Shri Bhagwat Prasad	Shri Jugal Kishore Mohapatra[2]	Shri Aniruddha Kumar[2]
1.	April 04, 2019	○	○	○	○	N.A.	N.A.
2.	May 27, 2019	○	○	○	○	N.A.	N.A.
3.	July 19, 2019	○	○	🖥	○	N.A.	N.A.
4.	August 09, 2019	○	●	○	○	N.A.	N.A.
5.	September 17, 2019	○	○	🖥	○	N.A.	N.A.
6.	November 11, 2019	○	○	○	○	N.A.	N.A.
7.	February 07, 2020	N.A.	N.A.	N.A.	○	○	○
Number of meetings held during respective tenure		6	6	6	7	1	1
Meetings attended		6	5	6	7	1	1
% of meetings attended*		100	83	100	100	100	100

* rounded off

[1] Ceased to be member of the Committee w.e.f. 17.11.2019 due to completion of tenure as Director of the Company.

[2] Appointed as member of the Committee w.e.f. 30.12.2019

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

During the financial year 2019-20, Shri Satya Prakash Mangal, Independent Director chaired all the meetings held prior to his cessation. The meeting held thereafter was chaired by Shri Jugal Kishore Mohapatra, Independent Director. The time interval between any two Audit Committee meetings had not exceeded one hundred and twenty days. The then Chairperson of the Audit Committee was present in the last AGM of the Company to answer the queries of the shareholders.

3.2 Stakeholders' Relationship Committee

As on March 31, 2020, composition of Stakeholders' Relationship Committee was as under:

i)	Shri Bhagwat Prasad	Independent Director	Chairperson
ii)	Shri Jugal Kishore Mohapatra	Independent Director	Member
iii)	Shri Mahesh Kumar Mittal	Director (Finance)	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 three times during the year under Report. Details of the meetings and attendance of members are given in **Table 4**.

Table 4: Stakeholders' Relationship Committee Meetings

S. No.	Date of Meeting	Shri Bhagwat Prasad	Prof. Kanika T. Bhal[1]	Shri Mahesh Kumar Mittal	Shri Jugal Kishore Mohapatra[2]
1.	April 23, 2019	○	▣	○	N.A.
2.	November 08, 2019	○	●	○	N.A.
3.	March 06, 2020	○	N.A.	○	▣
Number of meetings held during respective tenure		3	2	3	1
Meetings attended		3	1	3	1
% of meetings attended		100	50	100	100

[1] Ceased to be member of the Committee w.e.f. 17.11.2019 due to completion of tenure as Director of the Company.

[2] Appointed as member of the Committee w.e.f. 30.12.2019

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

Name and Designation of Compliance Officer:

Shri Vijay Gupta, Company Secretary is the Compliance Officer in terms of Regulation 6 of SEBI LODR.

Shareholders'/Bondholders' Grievances:

During the financial year ended on March 31, 2020, 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, 2019	Received during the year ended on March 31, 2020	Resolved during the year ended on March 31, 2020	Pending as on March 31, 2020
A. Equity Shares				
Non-receipt of refund orders	-	-	-	-
Non-receipt of dividend warrants	-	2,172	2,172	-
Complaints received on SEBI SCORES	-	13	13	-
Stock Exchange complaints	-	-	-	-
Consumer forum/court cases	2	-	-	2
Advocate notices	-	-	-	-
TOTAL (A)	**2**	**2,185**	**2,185**	**2**
B. Bonds				
Non-Receipt of refund order	-	-	-	-
Non Receipt of TDS Certificate	-	-	-	-
Non-Receipt of electronic credit	-	-	-	-
Non-Receipt of interest warrants	-	46	46	-
Non-Receipt of Bonds/Securities.	-	12	12	-
TOTAL (B)	**-**	**58**	**58**	**-**
GRAND TOTAL (A+B)	**2**	**2,243**	**2,243**	**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 and check its status. On registration of a complaint, a unique complaint registration number is allotted to track and for future reference. The concerned entity (intermediary or listed Company) uploads action taken report on the complaints electronically. The concerned entity and the complainant can also seek and/ or provide clarifications online from/ to each other. SEBI disposes the complaints, if it is satisfied that the complaint has been adequately redressed.

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

During the financial year 2019-20, shareholders'/ bondholders' complaints received through SCORES have been attended promptly and action taken reports on these complaints were submitted to SEBI through SCORES.

3.3 Nomination & Remuneration Committee

DPE Guidelines on Corporate Governance for CPSEs provides that Nomination & 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.

As on March 31, 2020, composition of Nomination & Remuneration Committee was as under:

i)	Shri Jugal Kishore Mohapatra	Independent Director	Chairperson
ii)	Shri Bhagwat Prasad	Independent Director	Member
iii)	Shri Aniruddha Kumar	Govt. Nominee Director	Member

Director (Finance) and Director (Personnel) are 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 twice during the financial year under report. Details of the meetings and attendance of members are given in **Table 6**.

Table 6: Nomination and Remuneration Committee Meetings

S. No.	Date of Meeting	Shri Jugal Kishore Mohapatra	Prof. Kanika T. Bhal[1]	Prof. Arun Kumar[1]	Shri Bhagwat Prasad[2]	Shri Aniruddha Kumar[2]
1.	June 11, 2019	○	○	○	N.A.	N.A.
2.	February 7, 2020	○	N.A.	N.A.	○	●
Number of meetings held during respective tenure		2	1	1	1	1
Meetings attended		2	1	1	1	0
%age of meetings attended		100	100	100	100	0

[1] Ceased to be member of the Committee w.e.f. 17.11.2019 due to completion of tenure as Director of the Company.

[2] Appointed as member of the Committee w.e.f. 30.12.2019.

● Leave of absence, ○ present in person

3.4 Committee on Corporate Social Responsibility (CSR) and Sustainability

As on March 31, 2020, composition of Committee on Corporate Social Responsibility (CSR) and Sustainability was as under:

i)	Shri Bhagwat Prasad	Independent Director	Chairperson
ii)	Shri Ratish Kumar	Director (Projects)	Ex-Officio Member
iii)	Shri Nikhil Kumar Jain	Director (Personnel)	Ex-Officio Member
iv)	Shri Mahesh Kumar Mittal	Director (Finance)	Ex-Officio Member
v)	Shri Janardan Choudhary	Director (Technical)	Ex-Officio Member

Meetings and Attendance:

The Committee met five 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	Prof. Arun Kumar[1]	Shri Ratish Kumar	Shri Nikhil Kumar Jain	Shri Mahesh Kumar Mittal	Shri Janardan Choudhary	Shri Bhagwat Prasad[2]
1.	June 04, 2019	○	○	○	○	○	N.A.
2.	September 06, 2019	○	●	○	●	○	N.A.
3.	November 14, 2019	○	●	○	○	○	N.A.
4.	December 30, 2019	N.A.	○	○	○	○	○
5.	March 06, 2020	N.A.	○	○	○	●	○
Number of meetings held during respective tenure		3	5	5	5	5	2
Meetings attended		3	3	5	4	4	2
% of meetings attended		100	60	100	80	80	100

[1] Ceased to be member of the Committee w.e.f. 17.11.2019 due to completion of tenure as Director of the Company.

[2] Appointed as member of the Committee w.e.f. 27.11.2019.

● Leave of absence, ○ present in person

3.5 Risk Management Committee

As per the requirements of SEBI LODR, top 500 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, 2019, NHPC was amongst the top 500 listed entities determined on the basis of market capitalization.

As on March 31, 2020, composition of Risk Management Committee was as under:

i)	Shri Jugal Kishore Mohapatra	Independent Director	Chairperson
ii)	Shri Bhagwat Prasad	Independent Director	Member
iii)	Shri Ratish Kumar	Director (Projects)	Ex-officio Member
iv)	Shri Janardan Choudhary	Director (Technical)	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 Meetings

S. No.	Date of Meeting	Shri Satya Prakash Mangal[1]	Prof. Arun Kumar[1]	Shri Ratish Kumar	Shri Janardan Choudhary	Shri Jugal Kishore Mohapatra[2]	Shri Bhagwat Prasad[2]
1.	August 30, 2019					N.A.	N.A.
Number of meetings held during respective tenure		1	1	1	1	0	0
Meetings attended		1	1	1	1	0	0
% of meetings attended		100	100	100	100	N.A.	N.A.

[1] Ceased to be member of the Committee w.e.f. 17.11.2019 due to completion of tenure as Director of the Company.

[2] Appointed as member of the Committee w.e.f. 30.12.2019.

present in person, present through Video Conferencing

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

As on March 31, 2020, Composition of the Committee was as under:

i)	Shri Ratish Kumar	Director (Projects)	Ex-officio Member and Chairperson
ii)	Shri Nikhil Kumar Jain	Director (Personnel)	Ex-Officio Member
iii)	Shri Mahesh Kumar Mittal	Director (Finance)	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 six times during the financial year under report. Details of the meetings and attendance of members are given in **Table 9**.

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

S. No.	Date of Meeting	Shri Ratish Kumar	Shri Mahesh Kumar Mittal	Shri Nikhil Kumar Jain
1.	May 22, 2019			
2.	July 12, 2019			
3.	October 31, 2019			
4.	January 03, 2020			
5.	February 10, 2020			
6	March 18, 2020			
Number of meetings held during respective tenure		6	6	6
Meetings attended		6	6	3
% of meetings attended		100	100	50

Leave of absence, present in person

3.7 Committee of Directors – Appellate Authority

As on March 31, 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

Note: The Committee was reconstituted by Board of Directors in its meeting held on 30.12.2019.

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 the Board of Directors/ its committees to professionalize its corporate affairs. It also help in informed and efficient decision-making at the meetings of the 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 the 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 any urgent issues are required to be addressed, meetings are called at a 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 are placed on the 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 the Company's offices situated at Faridabad and New Delhi.
- Presentations are made before the Board/ Committee(s) of Directors as and when required for providing better understanding of issues placed before the Board/ Committee.
- Members of the Board have complete access to the 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(s) 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 the 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 also 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 reporting on follow-up and review of decisions.

(E) Compliance of laws:

Compliance of all applicable provisions of the Companies Act, 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 specific laws at all its locations. 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 regarding compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder to Stock Exchanges for the year ended on March 31, 2020.

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 was held on June 11, 2019 under the Chairmanship of Shri Jugal Kishore Mohapatra. The meeting was attended by all the Independent Directors except Shri Satya Prakash Mangal.

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 2019-20.

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, 2020.

Sd/-

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

Date: May 26, 2020
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, which are 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/ ad-hoc 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.

A senior officer has been designated as Compliance Officer under the code. Copy of the insider trading code is available on the website of the Company at the link:http://www.nhpcindia.com/writereaddata/Images/pdf/Insider-Trading-Code-Full-30052019.pdf

9. REMUNERATION OF DIRECTORS:

The appointment, tenure & remuneration of Directors including CMD is decided by the Govt. of India. The Government Nominee Directors are not drawing any remuneration or sitting fees from the Company. In accordance to the Companies Act, 2013 read with DPE Guidelines, the Board of Directors of the Company in consultation with administrative ministry, is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 2013.

Accordingly, 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 Committees thereof.

Details of remuneration paid to Functional Directors of the Company during the financial year 2019-20 are given in **Table 10**. Further, the details of sitting fees paid to Independent Directors for meetings held during the financial year 2019-20 are given in **Table 11**.

Table 10: Remuneration of Functional Directors during the financial year 2019-20

(Amount in ₹)

Name of Director	Designation	Salary$	Benefits*	Performance Related Pay (PRP)	Total
Shri Abhay Kumar Singh#	Chairman & Managing Director	7,75,398	1,31,718	-	9,07,116
Shri Ratish Kumar	Director (Projects)	58,19,462	11,58,736	28,39,722	98,17,920
Shri Nikhil Kumar Jain	Director (Personnel)	38,12,622	24,58,355	19,22,022	81,92,999
Shri Mahesh Kumar Mittal	Director (Finance)	49,18,024	9,94,438	21,34,550	80,47,012
Shri Janardan Choudhary	Director (Technical)	47,93,377	23,75,110	14,87,310	86,55,797
Shri Balraj Joshi	Former Chairman and Managing Director	39,31,331	72,71,216	19,35,652	1,31,38,199

Appointed as Director w.e.f. 24.02.2020

$ Salary include arrears paid as per respective position held by the Directors during that period.

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

Notes:

1. During the year, amount of ₹ 19,42,253 and ₹ 1,48,430 was paid to Shri K. M. Singh, Former CMD and Shri D. P. Bhargava, Former Director (Technical) respectively for their dues related to earlier year(s).
2. The Company had not given any stock options during the financial year 2019-20. 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.
3. 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 2019-20

(Amount in ₹)

Name of Independent Director	Sitting Fees*		Total
	Board Meetings	Committee Meetings	
Shri Satya Prakash Mangal	1,20,000	1,60,000	2,80,000
Prof. Kanika T. Bhal	80,000	1,80,000	2,60,000
Prof. Arun Kumar	1,00,000	2,80,000	3,80,000
Shri Jugal Kishore Mohapatra	1,80,000	1,20,000	3,00,000
Shri Bhagwat Prasad	1,80,000	2,80,000	4,60,000

*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 as 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 2019-20.

The terms and conditions of appointment of Independent Directors are available on the website of the 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 between NHPC Limited and the Government of Madhya Pradesh with equity shareholding of 51% and 49% 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 Satya Prakash Mangal, Independent Director of NHPC was nominated as Director on the Board of NHDC Limited. Subsequent to cessation of Shri Mangal as Independent Director of NHPC, Shri Jugal Kishore Mohapatra, Independent Director is nominated on the Board of NHDC.

(ii) **Loktak Downstream Hydroelectric Corporation Limited (LDHCL):** LDHCL was promoted as a Joint Venture between NHPC Limited and the Government of Manipur (GoM). As per the Articles of Association of LDHCL, the equity participation of NHPC and GoM shall be 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 50MW Solar Power Project in Uttar Pradesh. 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):** During the financial year 2019-20, NHPC has acquired debt-ridden LTHPL under insolvency resolution plan approved by the National Company Law Tribunal (NCLT). LTHPL has become a wholly owned subsidiary of NHPC Limited and will execute 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.

During the year, the minutes of the meetings of the Board of Directors of NHDC Limited, LDHCL, BSUL and LTHPL were placed before the Board of NHPC Limited for its information. The Board of NHPC was also apprised about the significant transactions and arrangements entered into by these subsidiaries. The financial statements, in particular, the investments made by these subsidiary companies, were reviewed by the audit committee.

During the financial year 2019-20, the Company has not disposed-off any shares or assets of the subsidiary companies. More information about the subsidiary companies is available 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
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. b) To re-appoint Shri Satya Prakash Mangal (DIN 01052952), as an Independent Director of the Company. 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. b) Alterations in Articles of Association of the Company in line with the provisions of the Companies Act, 2013.
2016-17	September 27, 2017	11:00 A.M.	Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana-121003	a) Authorization to board to issue secured/ unsecured redeemable, non-convertible, debentures/ bonds aggregating upto ₹ 2000 Crore through private placement. b) Insertion of Article 22A in Articles of Association of the Company.

No Special Resolution was passed through Postal Ballot during 2019-20 and no special resolution is proposed to be passed through Postal Ballot during the financial year 2020-21.

12. DISCLOSURES:

(i) Related Party Transactions:

The Company has formulated a policy on related party transactions, in compliance with the Regulation 23 of SEBI LODR. During the financial year 2019-20, all contracts/ arrangements/ transactions entered in by the Company with related parties were in the ordinary course of its business and on arm's length basis. There were no materially significant related party transactions, 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 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI LODR except as mentioned in paragraph 2(i) of this Report. 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 as mentioned in Paragraph 2(i) of this Report.

a) Penalties, strictures imposed by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

During the preceding 3 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, operations or guidelines issued by the Government.

However, during the financial year 2018-19 and the 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 and National Stock Exchange of India Limited	Total Cumulative fine till quarter ended on December, 2019 is ₹ 19,47,000/- (including GST) for each stock exchange	Non-compliance with the requirements of Regulation 17(1) of SEBI LODR in respect of non-appointment of requisite number of Independent Directors on the Board of the Company since November 05, 2018.	As per article 34 of Articles of Association, the powers to appoint Directors (including Independent Director) in the Company vests with the President of India. Accordingly, the matter regarding appointment of Independent Directors is being regularly pursued with Administrative Ministry i.e. Ministry of Power and DPE.
2.	BSE Limited* (Issued during FY 2018-19)	₹ 10,000/- (excluding GST)	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)"	(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 meeting already scheduled to be held 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 given. Replies from the Stock Exchanges are awaited.

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

b) Disclosure of events or information:

The Board had authorised Shri Mahesh Kumar Mittal, Director (Finance) to determine materiality of an event or information for the purpose to make disclosures to Stock Exchange(s) under the regulations of SEBI LODR. Criteria for determination of materiality of an event or information to be disclosed to Stock Exchange(s) has been laid down and available on the website of the Company.

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:

The Management is of the view that all applicable Indian Accounting Standards are being followed, while preparation of financial statements. However, where compliance could not be followed in strict sense, it has been indicated in the notes to accounts forming part of financial statements.

e) Whistle Blower Policy:

A Whistle Blower Policy to report the instances of unethical/ improper conduct, to take suitable steps to investigate and correct it is in existence. The policy provides for adequate safeguard against victimisation of employees, who avails the mechanism. No personnel has been denied access to the Audit Committee during the financial year 2019-20.

During the financial year 2019-20, one complaint was reported under Whistle Blower Policy. The Complaint was examined and disposed off as per the provisions of the policy.

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

To provide a safe and harassment-free workplace for every individual 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 2019-20, no complaint of sexual harassment was received by the Company.

g) No items of expenditure was debited in books of accounts, which are 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	2018-19	2019-20	Reasons for increase
Administrative expenses as a percentage of total expenses	14.57	19.08	Main reason for variance is increase in security expenses, exchange rate variation, CSR expenses, insurance expenses and provisions during financial year 2019-20
Administrative expenses as a percentage of financial expenses	100.35	156.05	

j) Commodity price risk and hedging activities

The disclosure regarding commodity price risk and hedging activities of the Company during the financial year 2019-20 is as under:

1. **Risk management policy of the listed entity with respect to commodities including through hedging:**

   The foreign exchange risk management policy of the Company was approved in the 423rd meeting of the Board of Directors held on 15.03.2019 taking into consideration total exposure of the Company in foreign exchange and risk involved.

2. **Exposure of the Company to commodity and commodity risks faced throughout the year 2019-20:**

   a. **Total exposure of the Company to commodities in INR:** 1820.97 crore

   b. **Exposure of the Company to various commodities:**

Commodity name (ECB)	Exposure in INR towards the particular commodity	% of such exposure hedged through commodity derivatives				
		Domestic market		International market		Total
		OTC	Exchange	OTC	Exchange	
JICA-IDP-107	102.67	-	-	-	-	-
JICA-IDP-129	449.07	-	-	-	-	-
JICA-IDP-153	580.49	-	-	-	-	-
MUFC Bank	3688.75	100%*	-	-	-	-

* With JPY strike price of ₹ 0.90

3. **Commodity risks faced by the Company during the year 2019 20**

   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 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:**

Details relating to fees paid to statutory auditors are given in note no. 29 to the Standalone and Consolidated Financial Statements.

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 2019-20, 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 Suman Kumar, Practicing Company Secretary stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority has been received.

ii. None of the securities of the Company was suspended from trading during the financial year 2019-20.

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

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 Mahesh Kumar Mittal, Director (Finance) was placed before the Board of Directors at the meeting held on June 27, 2020 and is annexed to the Corporate Governance Report as **Annexure-B**.

14. MEANS OF COMMUNICATION:

Financial results of the Company are announced within the time frame specified in SEBI LODR. These results are placed on the website of the Company (www.nhpcindia.com) and published in national and local dailies.

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. Presentations made to institutional investors and/ or analysts are also available on the Company's website.

The shareholders can access the details of the disclosures made under Corporate Governance, Policies of the Company, Memorandum & Articles of Association, etc. 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, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Business Standard (English) - All Editions	-	November 12, 2019	February 8, 2020	-
Hindustan (Hindi)-New Delhi	-	November 12, 2019	-	-
The Financial Express (English) - All Editions	August 10, 2019	-	-	June 29, 2020
Jansatta (Hindi) – New Delhi	August 10, 2019	-	-	June 29, 2020
Navbharat Times (Hindi)- Delhi	-	-	February 8, 2020	-

15. INFORMATION FOR SHAREHOLDERS

(i) Details of Annual General Meeting

Date: Tuesday, September 29, 2020

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 05.05.2020, the AGM of the Company for financial year 2019-20 shall be held through Video Conferencing or other audio visual means.

The Notice of AGM may be referred for necessary details/ instructions regarding participation in the AGM.

(ii) Financial calendar for financial year 2020-21

Particulars	Date
Accounting period	April 1, 2020 to March 31, 2021
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 of the conclusion of Board Meeting.
Fourth quarter results/ annual audited financial results for the year ending on March 31, 2021	Board Meeting to be held on or before May 30, 2021. Financial results will be intimated to Stock Exchanges within stipulated time of the conclusion of Board Meeting.
AGM – 2021	August/ September, 2021 (Tentative)

(iii) Book Closure

The register of members and share transfer books of the Company will remain closed from Saturday, September 19, 2020 to Tuesday, September 29, 2020 (both days inclusive).

(iv) Payment of Dividend

The Company had paid an interim dividend of ₹ 1.18/- per equity share (excluding Dividend Distribution Tax) in February, 2020. In addition to above, the Board of Directors of the Company has recommended a final dividend of ₹ 0.32/- per equity share for the financial year 2019-20. Accordingly, the total dividend for the year comes to ₹ 1.50/- per equity share, if the final dividend is approved by the shareholders in General Meeting.

The members whose name appear in the Register of Members/ list of Beneficial Owners as on Friday, September 18, 2020 (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	1,185.31 (Interim Dividend)	February 7, 2020	March 3, 2020

(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 2020-21 has been paid to both National Stock Exchange of India Limited and BSE Limited within the extended due dates. Also, the Annual Custodian Fee for the financial year 2020-21 has been paid to Central Depository Services (India) Limited and National Securities Depository 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-19	39,487.45	38,460.25	39,031.55
May-19	40,124.96	36,956.10	39,714.20
Jun-19	40,312.07	38,870.96	39,394.64
Jul-19	40,032.41	37,128.26	37,481.12
Aug-19	37,807.55	36,102.35	37,332.79
Sep-19	39,441.12	35,987.80	38,667.33
Oct-19	40,392.22	37,415.83	40,129.05
Nov-19	41,163.79	40,014.23	40,793.81
Dec-19	41,809.96	40,135.37	41,253.74
Jan-20	42,273.87	40,476.55	40,723.49
Feb-20	41,709.30	38,219.97	38,297.29
Mar-20	39,083.17	25,638.90	29,468.49

NHPC SHARE PRICE AT BSE			
Month	**High (₹)**	**Low (₹)**	**Closing (₹)**
Apr-19	25.60	23.05	23.30
May-19	25.85	21.75	25.15
Jun-19	25.50	23.90	24.80
Jul-19	25.00	22.00	22.10
Aug-19	23.90	20.85	23.25
Sep-19	24.55	22.20	22.30
Oct-19	24.20	21.80	23.50
Nov-19	24.25	23.20	23.80
Dec-19	24.35	23.55	23.95
Jan-20	29.00	23.70	24.50
Feb-20	25.40	20.45	20.60
Mar-20	23.35	15.15	19.95

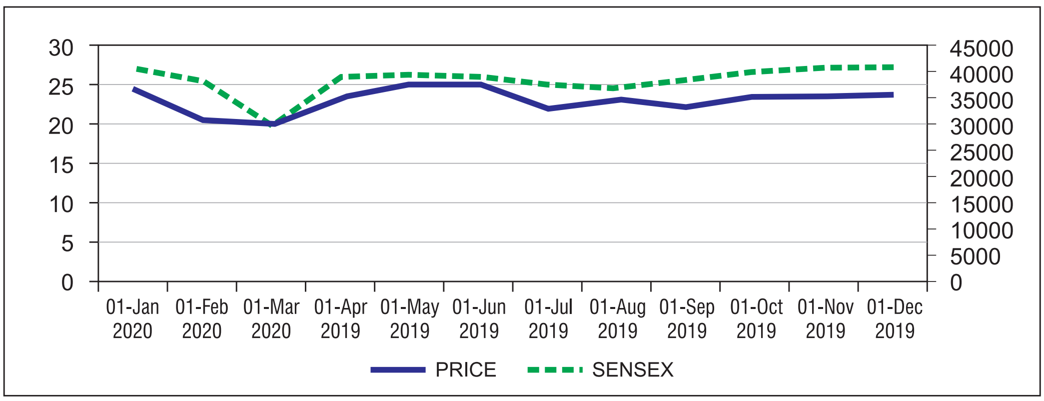
Table 17: NSE NIFTY and NHPC Share Price

NIFTY			
Month	**High**	**Low**	**Closing**
Apr-19	11,856.15	11,549.10	11,748.15
May-19	12,041.15	11,108.30	11,922.80
Jun-19	12,103.05	11,625.10	11,788.85
Jul-19	11,981.75	10,999.40	11,118.00
Aug-19	11,181.45	10,637.15	11,023.25
Sep-19	11,694.85	10,670.25	11,474.45
Oct-19	11,945.00	11,090.15	11,877.45
Nov-19	12,158.80	11,802.65	12,056.05
Dec-19	12,293.90	11,832.30	12,168.45
Jan-20	12,430.50	11,929.60	11,962.10
Feb-20	12,246.70	11,175.05	11,201.75
Mar-20	11,433.00	7,511.10	8,597.75

NHPC SHARE PRICE AT NSE			
Month	**High (₹)**	**Low (₹)**	**Closing (₹)**
Apr-19	25.65	23.00	23.35
May-19	25.95	21.65	25.05
Jun-19	25.50	23.90	24.80
Jul-19	25.00	22.00	22.15
Aug-19	23.95	20.85	23.25
Sep-19	24.55	22.20	22.30
Oct-19	24.20	21.80	23.50
Nov-19	24.25	23.20	23.80
Dec-19	24.40	23.50	23.95
Jan-20	29.10	23.65	24.50
Feb-20	25.40	20.40	20.60
Mar-20	23.40	15.10	19.95

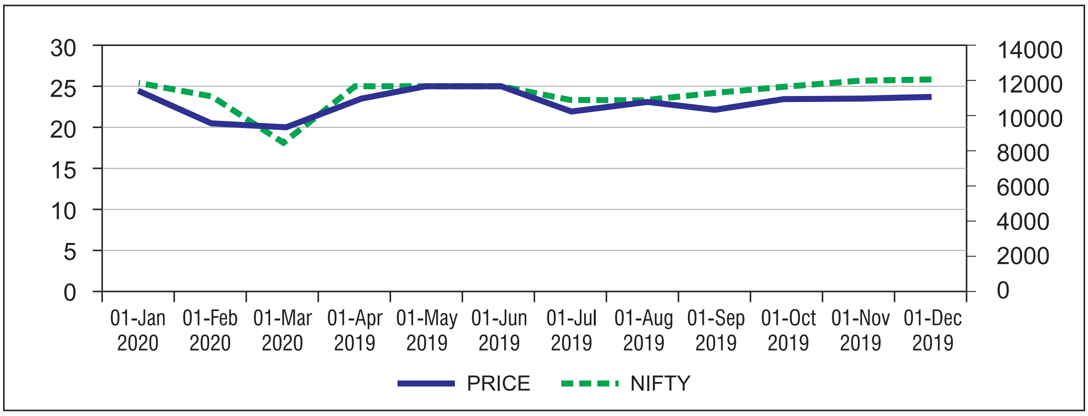
(viii) Performance in comparison to indices

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

KFin Technologies Private Limited (Formerly Karvy Fintech Private Limited),
Selenium, Tower- B, Plot No. 31-32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Rangareddi, Telangana– 500 032
Tel: 040 6716 2222
Toll Free No: 1800 345 4001
Fax: 040 2300 1153
E-mail ID: einward.ris@kfintech.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, Y1, AA and AA1 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, AA1 Series and GOI Bonds
INTERNATIONAL			
1	S&P	"BBB-" Outlook: Stable	-

(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 and/ or dematerialisation of shares etc. 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 de-mat form only w.e.f. 01.04.2019. However, investors are not barred from holding shares in physical form.

Accordingly, during the year under report, no request for transfer of shares held in physical form was processed by the RTA, except the requests lodged prior to 01.04.2019 and could not be processed at that time for want of certain documents or other justified reasons.

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 2019-20, unclaimed dividend for the financial year 2011-12 aggregating to ₹ 1,45,11,436/- and the corresponding 8,04,475 shares for which dividend entitlements remained 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.

Before effecting transfer of shares to IEPF, company has informed to all such members, whose shares were liable to be transferred to IEPF during financial year 2019-20 through letters and newspaper publication.

The details of dividend and 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 the 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.

Dividend pertaining to FY 2012-13 shall be transferred to IEPF during the year 2020-21. Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2012-13 and the corresponding shares from the IEPF Authority by applying in prescribed form i.e. IEPF-5. The last date for claiming dividend declared during financial year 2012-13 and remained unpaid is October 21, 2020. Members may forward their claims for unclaimed dividend to the Company's RTA before they are 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, 2020 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, 2020

Number of shares	Number of shareholders	% of shareholders*	Total shares	% of shares*
1-5,000	4,32,383	63.96	9,05,26,858	0.90
5,001-10,000	1,66,375	24.61	12,47,68,799	1.24
10,001-20,000	41,741	6.17	6,22,63,377	0.62
20,001-30,000	13,244	1.96	3,37,46,534	0.34
30,001-40,000	5,554	0.82	1,98,35,107	0.20
40,001-50,000	4,504	0.67	2,12,71,522	0.21
50,001-1,00,000	7,047	1.04	5,16,04,653	0.51
1,00,001 and above	5,196	0.77	9,64,10,17,955	95.98
Total	**6,76,044**	**100**	**10,04,50,34,805**	**100.00**

*rounded off to 2 decimal places

(b) Table 19: Category wise Shareholding Pattern as on March 31, 2020

Category	As on March 31, 2019			As on March 31, 2020			Change % Increase/ (Decrease)*
	No. of Shareholders	Total Shares	% of shareholding*	No. of Shareholders	Total Shares	% of shareholding*	
Government of India	1	7,36,59,64,993	73.33	1	7,12,67,72,676	70.95	(2.38)
Mutual Funds	13	32,14,71,603	3.2	53	58,67,17,209	5.84	2.64
Foreign Portfolio Investors	152	49,16,65,365	4.89	157	46,83,19,256	4.66	(0.23)
Financial Institutions/ Banks	18	6,51,01,540	0.65	19	6,37,09,606	0.63	(0.02)
Insurance Companies	6	77,76,95,996	7.74	14	77,17,48,175	7.68	(0.06)
Resident Individuals	6,77,231	53,88,64,448	5.36	6,68,972	53,74,77,879	5.35	(0.01)
Non- Resident Indians	4,589	1,28,97,153	0.13	4,723	1,47,20,526	0.15	0.02
Clearing Members	147	34,71,589	0.03	275	77,36,531	0.08	0.05
IEPF	1	16,27,862	0.02	1	24,28,917	0.02	0.00
Bodies Corporate	1,714	46,39,78,931	4.62	1,766	45,21,06,009	4.50	(0.12)
Trusts	44	18,40,819	0.02	43	26,97,489	0.03	0.01
Others (NBFCs, Foreign Nationals, Overseas Corporate bodies, Alternate Investment Fund, Qualified Institutional Buyers, Foreign Institutional Investors)	22	4,54,506	0.01	20	1,06,00,532	0.11	0.10
Total	**6,83,938**	**10,04,50,34,805**	**100**	**6,76,044**	**10,04,50,34,805**	**100**	

*rounded off to 2 decimal places

(c) Top Ten Shareholders as on March 31, 2020

Details of top ten shareholders of NHPC Limited as on March 31, 2020 are given in **Table 20**:

Table 20: Top ten shareholders as on March 31, 2020

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	73,66,31,947	7.33
3	Power Finance Corporation Limited	23,44,73,240	2.33
4	CPSE Exchange Traded Scheme (CPSE ETF)	19,29,44,743	1.92
5	REC Limited	17,53,02,206	1.75
6	HDFC Trustee Company Limited A/c HDFC Balanced Advantage Fund	13,78,60,514	1.37
7	Edgbaston Asian Equity Trust	6,86,51,505	0.68
8	HDFC Trustee Company Limited - HDFC Tax saver fund	6,04,22,557	0.60
9	Vanguard Total International Stock Index Fund	4,13,26,454	0.41
10	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	3,64,70,857	0.36
	Total	**8,81,08,56,699**	**87.71**

*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 in physical form and the total number of dematerialised shares held 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, 2020

Particulars	Total Shares	% to Equity*
Shares in dematerialized form with NSDL	9,64,74,48,266	96.04
Shares in dematerialized form with CDSL	39,74,97,612	3.95
Physical	7,906	negligible
Total	**10,04,50,34,805**	**100**

* 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, 2020 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	6	1,951
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	2	903
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 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:

Baira Siul	NHPC Limited, Surangani, Distt. Chamba, Himachal Pradesh – 176 317
Loktak	NHPC Limited, P.O. Loktak, Komkeirap, Manipur- 795 124
Salal	NHPC Limited, P.O. Jyotipuram, Via Reasi, Distt. Reasi, Jammu & Kashmir - 182 312
Tanakpur	NHPC Limited, P.O. T.P.S. Campus, Banbassa, Distt. Champawat, Uttarakhand – 262 310
Chamera-I	NHPC Limited, Khairi, Distt. Chamba, Himachal Pradesh – 176 325
Uri-I	NHPC Limited, Gingle, P.O. Mohra, Distt. Baramulla, Jammu & Kashmir- 193 122
Rangit	NHPC Limited, P.O. Rangit Nagar, South Sikkim - 737 111
Chamera-II	NHPC Limited, Karian, Distt. Chamba, Himachal Pradesh –176 310
Dhauliganga-I	NHPC Limited, Post Box No.1, Tapovan, Dharchula, Distt. Pithoragarh, Uttarakhand - 262 545
Dulhasti	NHPC Limited, Chenab Nagar, Sector-II, Kishtwar, Distt. Kishtwar, Jammu & Kashmir - 182 206
Teesta-V	NHPC Limited, P.O. Singtam, East Sikkim - 737 134
Sewa-II	NHPC Limited, Mashka, Distt. Kathua, Jammu & Kashmir - 176 325
Chamera-III	NHPC Limited, Village Dharwala, P.O.–9, Distt. – Chamba, Himachal Pradesh – 176 311
Chutak	NHPC Limited, P.O. Minji, Distt. Kargil, UT of Ladakh – 194 103
Teesta Low Dam Project – III	NHPC Limited, Rambi Bazar, P.O. Reang, Distt. Darjeeling, West Bengal – 734 321
Nimoo Bazgo	NHPC Limited, Alchi, Distt. Leh, UT of Ladakh –194 101
Uri- II	NHPC Office cum Residential Complex, Nowpora, Uri, Distt. Baramulla, Jammu & Kashmir – 193 122
Parbati-III	NHPC Limited, Village Behali, P. O. Larji, Distt. Kullu, Himachal Pradesh–175 122
Teesta Low Dam Project –IV	NHPC Limited, Kalijhora, P.O. Kalijhora Bazar, Distt. Darjeeling, West Bengal –734 320
Jaisalmer Wind Power Project	NHPC Limited, Village Lakhmana, District Jaisalmer, Rajasthan
Tamil Nadu Solar Power Project	NHPC Limited, Renganathapuram Village, A. Vadipatti Road, Periyakulam Taluk, District Theni, Tamil Nadu-625 602
Kishanganga	NHPC Limited, NHPC Office & Residential Complex, Karalpora, Distt. Bandipora, Jammu & Kashmir -193 502

(xviii) Green Initiatives in Corporate Governance

In line with relaxations extended by MCA and SEBI due to pandemic COVID 19 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 viz. National Securities Depository Limited and Central Depository Services (India) Limited. The Notice of AGM and Annual Report are also placed on website of the Company.

(xix) Address for Correspondence:

Shri Vijay Gupta, 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.	E-mail ID
Registered Office	0129-2588110	0129-2278018	-
Investor Relation Cell	0129-2250437	-	investorcellnhpc@gmail.com
Shri Anuj Kapoor, Chief Investor Relations Officer	0129-2270603	-	anujkapoor@nhpc.nic.in

As per Circular of the Securities and Exchange Board of India dated 22.01.2007, exclusive e-mail address for redressal of Investor Complaints is companysecretary@nhpc.nic.in

For and onbehalf of the Board of Directors

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

Date: August 27, 2020
Place: Faridabad

ANNEXURE-A

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 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 The President of India through Ministry of Power (MOP).
5. Reporting of Internal Auditor: Shri Vijay Kumar, Executive Director (Finance) is the Internal Auditor of the Company. As per organization structure, Shri Kumar is reporting to Director (Finance) of the Company.

ANNEXURE-B

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) COMPLIANCE CERTIFICATION 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, 2020 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 period ended 31st March, 2020 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 we have taken steps 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, 2020;

   ii. significant changes in accounting policies during the year ended 31st March, 2020 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/-**
(M.K. Mittal)	**(Abhay Kumar Singh)**
Director (Finance)	**Chairman and Managing Director**
DIN 02889021	DIN 08646003

Place: Faridabad
Date: June 27, 2020

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, 2020, 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 a Independent Woman Director and Women Director for the period from 18.11.2019 to 31.03.2020.*
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 period from 18.11.2019 to 31.03.2020 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 period from 18.11.2019 to 31.03.2020.*
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 and as per Clause 3.1.4 of DPE Guidelines during the Financial Year 2019-20 and as per the Section 149(4) of the Companies Act, 2013 for the period from 18.11.2019 to 31.03.2020.*
4. *Regulation 25 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors had not reviewed:*
   - *(a) the performance of non-independent directors and the board of directors as a whole;*
   - *(b) the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.*
5. *Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LoDR) Regulations, 2015, the Nomination and Remuneration Committee should formulate the criteria for determining qualifications, positive attributes and independence of a director.*
6. *Regulation 23 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Company shall obtain the prior approval of the Audit Committee for execution of agreement between NHPC Limited and Lanco Teesta Hydro Power Limited (LTHPL) for providing consultancy services to LTHPL.*

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance with Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted waiver requests.

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

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

Date: July 16, 2020
Place: New Delhi
UDIN: F005774B000462307

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

India is one of the fastest developing economies in the world. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. Power is one of the most critical infrastructural component for the economic growth and welfare of nation. India's power sector is one of the most diversified in the world. Power sector comprises generation, transmission and distribution utilities. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar and agricultural and domestic waste.

Electricity demand in the country has increased rapidly over the years and is expected to rise further in future. The Government of India's focus on attaining 'Power for all' has accelerated the capacity addition programme in the country to meet the increasing demand for electricity by adding to installed generation capacity. Indian power sector is undergoing a significant change that has redefined the outlook of the industry. The total installed capacity of all the power stations in India as on March 31, 2020 was 3,70,106 MW with the contribution of 2,30,600 MW, 45,699 MW (including 4,785 MW Pumped Storage Scheme), 87,027 MW and 6,780 MW from Thermal, Hydro, Renewable Energy Sources and Nuclear power respectively[1]. The total electricity generation from conventional sources in the country during the financial year 2019-20 was 1,252.61 billion units as compared to 1,249.33 billion units during the previous financial year, registering a growth of 0.26%[2].

2. HYDROPOWER POTENTIAL IN INDIA

Water is one of the nature's invaluable renewable gifts, which can be harnessed for least cost power generation. Our country has an enormous hydro power potential and ranks amongst the topmost nations in the world for possessing feasible hydro-power capacity, of which most of the capacity is yet to be tapped. 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 hydropower 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. NHPC has a prominent role to play in tapping the hydropower potential of the country.

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 by providing cleaner and affordable power for all. One of such initiatives 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 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. Tariff rationalization measures have also been notified which allow developers to determine tariff by back loading of tariff after increasing project life to 40 years. In addition to above, budgetary support shall also be extended for flood moderation component of hydro project and cost of enabling infrastructure i.e. roads/bridges.

Further, to reduce the incidence of time and cost overruns of hydropower 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 DISCOM to generating companies. However, LCs are not being provided by DISCOMs having large

[1] Source: Central Electricity Authority

[2] Source: Website of Ministry of Power

outstanding dues. Ministry of Power vide its order 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 1, 2019 onwards.

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.

6. SWOT ANALYSIS

(i) STRENGTHS

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

NHPC possesses rich experience and expertise in development of hydro-electric projects across the Country. NHPC has a competent and committed workforce having vast experience in the industry with capabilities and expertise from concept to operation of hydro-electric projects. The skills, knowledge of industry and vast experience of its employees provide NHPC, a significant competitive advantage.

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

NHPC has over 44 years of experience in the hydropower sector from concept to commissioning. NHPC's Design Division with extensive experience in hydropower sector is dedicated to cater to the design and engineering requirements of its various projects/power stations. NHPC's in-house technical capabilities in diversified fields namely Survey, Drilling, Hydrology, Geology, Geophysics, Construction Material Survey, Civil, Electrical and HM Design, Environment, Construction Management, O&M, Renovation and Modernisation of existing Power Stations gives an edge over other hydropower companies in India. Extensive in-house experience and technical expertise enable NHPC to successfully acquire stranded brownfield hydro-projects through Hon'ble NCLT. NHPC is equipped with state-of-the-art geophysical equipment for accurate prognosis of sub-surface geological conditions from surface and forecasting ahead of face tunneling media. NHPC has established state-of-the-art laboratories like Geotechnical Lab, Remote Sensing Lab, Quality Control Lab, Real time Seismic Data Center etc. as a part of technical up-gradation.

- **Extensive experience in construction and operation**

NHPC has extensive experience and expertise in the development of hydro-electric projects in complex geological regions, using in-house state-of-art technology to overcome number of geo-technical challenges. It has successfully completed construction of some of the hydro-electric projects located in remote hilly areas with various challenges like inaccessibility, poor logistics, adverse climate and technological hindrances. NHPC has proven experience in effectively operating power stations particularly in silt prone Himalayan region. At present, NHPC is successfully operating 20 hydropower stations of different installed capacities, ranging from 44 MW to 690 MW.

- **Strong financial position**

The hydropower generation is highly capital-intensive mode of electricity generation which requires strong financial position. NHPC's paid-up share capital of Rs. 10,045.03 crore with investment base of over Rs. 64,613.52 crore and highest credit rating for its listed bonds reflects its strong financial position. Thus, NHPC is competent enough to execute capital intensive large hydro-electric projects.

- **Strong operating performance**

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

(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 hydropower. India's huge untapped hydro potential, especially in the north-eastern region, provides opportunity for the development of hydropower. 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 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 hydropower companies through CIRP process thereby supporting economic growth of the Country. NHPC has already taken over LTHPL (developing Teesta-VI HE Project in Sikkim) through CIRP process and is a successful resolution applicant of Jal Power Corporation Limited (developing Rangit-IV HE Project in Sikkim) which is subject to approval of Hon'ble National Company Law Tribunal.

- **Renewable Energy**

  Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of Solar Power, 60 GW of Wind Power and remaining from others[3]. Business opportunities for NHPC got a boost after the Government of India's measures to promote hydropower development by declaring large hydroelectric projects as renewable energy source and introducing Hydro Purchase Obligation (HPO). Ministry of New and Renewable Energy (MNRE) has recently framed Ultra Mega Renewable Energy Power Parks (UMREPPs) scheme for development of large scale renewable energy projects with the support of Central Financial Assistance (CFA). NHPC is exploring possible opportunities to develop Solar Parks/Floating Solar Projects (>50 MW) in various potential rich states such as Odisha, Telangana, Rajasthan etc. to avail the benefit of the scheme.

- **Grid Balancing Requirement**

  Hydropower projects, often located in remote regions, are crucial to stabilize the grid, as India plan to add 175 GW of renewable capacity. Hydropower projects are ideal to meet peak load, compared to thermal power plants. They can be swiftly turned on and off, compared to thermal power plants. This helps the grid in withstanding fluctuations caused by intermittent supplies from solar and wind. NHPC generates clean, green and sustainable hydropower which is useful in mitigating peak power demand. The ability of hydropower stations showcased in the stability of the national grid during the Hon'ble Prime Minister's '9PM9MIN' initiative on April 5, 2020 to display the country's "collective resolve" to defeat the COVID 19 pandemic.

(iii) THREATS/ CHALLENGES /CONCERNS

- **Time and cost overruns**

  Time and cost overruns is a major concern in the construction of hydro-electric projects. Most of the hydro-electric projects are located in hilly terrain and are prone to devastating natural calamities like landslides, hill slope collapses, roadblocks, flood, cloud burst etc. These calamities cause severe setbacks to construction schedule. Further, in-spite of extensive survey and investigation, geological uncertainties have to be tackled, especially in long tunnels such as Head Race Tunnel. NHPC, with its rich experience

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

and expertise coupled with state-of-the-art technology, has overcome such surprises many times in the past. However, these are common and unpredictable geological uncertainties, which may result in time and cost over-run.

- **Time consuming clearance process:**

  A hydro-electric project requires various statutory as well as non-statutory clearances from various agencies before implementation of a project. 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)**

  The tariff for new hydro-electric projects is relatively high during initial investment. Beneficiaries prefer to purchase their additional short term power requirements through power exchange or e-procurement rather than opting for long term/medium term PPAs. As such, sale of energy from projects with higher tariff is getting difficult in present day's power market scenario. NHPC is also facing similar difficulties in dispatch of power from some of the new projects through long term PPAs.

- **High initial cost/ tariff**

  The development of hydro-electric projects involve 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.

- **Law & Order**

  NHPC is witnessing law & order problem at some of its projects/power stations located near sensitive border areas and at remote locations. Officials posted at these projects/power stations are prone to security threats.

- **Opposition to hydro-electric projects**

  Hydro-electric projects in India are facing opposition by certain pressure groups which has created apprehension amongst the hydro-electric project developers that their projects would get delayed leading to time and cost overruns.

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

  Water is a state subject under the Constitution of India. 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. A total of 54 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, responsible for timely action to manage such risks are identified. A Board level Risk Management Committee comprising of Independent and Functional Directors 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 hydropower generating companies and is having more than fifteen percent of the total hydro installed capacity of the Country. Your Company's priority is to provide affordable and reliable power and to support Country's rapidly developing economy. Presently, Company is engaged in the construction of five hydro-electric projects aggregating to a total installed capacity of 4,924 MW which includes 2 hydro-electric projects i.e. Subansiri Lower H.E. Project (2,000 MW) and Parbati-II H.E. Project (800 MW) being executed on standalone basis and 3 hydro-electric projects i.e. Teesta-VI H.E. Project (500 MW), Pakal Dul H.E. Project (1,000 MW) and Kiru H.E. Project (624 MW) being executed through Subsidiaries/JV Companies. Further, projects having aggregate installed capacity of 8,211 MW are under clearance/approval stage and one project with installed capacity of 449 MW is in Survey & Investigation stage. 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 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. During the year 2019-20, remote controlled operation of its two Power Stations i.e. Teesta Low Dam-III Power Station and Teesta Low Dam-IV Power Station was carried out from Regional Office, Siliguri.

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 systems and processes in place for smooth and efficient conduct of business and complied relevant laws and regulations. A comprehensive delegation of power from CMD 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.

The Company has an 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 Vijay Kumar, Executive Director (Finance) as Chief Internal Auditor of the Company. The department has qualified and experienced workforce to carry out periodical as well as special audits.

A summary of audit observations and action taken reports are being submitted to 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 2019-20. The firm, in its report, acknowledged the effectiveness of prevailing internal control systems in the Company.

11. FINANCIAL DISCUSSION AND ANALYSIS

(i) RESULTS OF OPERATIONS

A detailed analysis of the Audited Financial Results of the Company for the Fiscal 2020 vis-à-vis Fiscal 2019 is as under: -

Income

Table 1 (₹ in crore)

	Fiscal 2020	Fiscal 2019
Units of electricity generated (in million units)	26126	24430
Income		
(i) Sales of Energy	7,430.81	7,138.24
(ii) Income from Finance Lease	203.65	208.28
(iii) Income from Operating Lease	666.57	748.61
(iv) Revenue from Contracts, Project Management and Consultancy Works	27.88	23.85
(v) Revenue from Power - Trading	239.47	12.96
(vi) Other Operating Income	167.03	29.24
Revenue from operations [sum of (i) to (vi)]	**8,735.41**	**8,161.18**
Add: Other Income	1036.18	924.78
Total Income	**9,771.59**	**9,085.96**

Total income in Fiscal 2020 increased by 7.55% to ₹ 9,771.59 crore from ₹ 9,085.96 crore in Fiscal 2019, primarily due to increase in generation in Fiscal 2020, increase in Dividend Income from Subsidiaries, increase in Revenue from Power – Trading, increase in Revenue from Project Management and Consultancy works partially offset by decrease in Late Payment Surcharge, decrease in interest on investment/FDRs, decrease in sales pertaining to previous years and decrease in Operating Lease 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 except in case of Teesta Low Dam- IV Power Station in respect of which sale has been recognised as per tariff notified by CERC for the period 2014-19 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, tariff is in the process of being determined on the basis of mutually agreed rate between NHPC and WBSEDCL, the single beneficiary, which is lower than that determined as per the CERC Tariff notification for the period 2019-24. Pending finalisation of the Power Purchase Agreement and approval by CERC, sale has been recognised provisionally on the basis of such mutually agreed rate.

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 2019-20.

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.

The sales also include re-imbursement on account of Foreign Exchange Rate Variation (FERV) and reimbursement on account of Water Cess in respect of power stations situated in UT of Jammu & Kashmir.

In Fiscal 2020, 26126 MUs of electricity (excluding infirm power of 190 MUs generated by Parbati-II HE Project during FY 2019-20) was generated from installed capacity of 5551 MW as against 24430 MUs (excluding infirm power of 42 MUs generated by Parbati-II HE Project during FY 2018-19) from installed capacity of 5551 MW in Fiscal 2019. Accordingly, there was an increase of 6.94% 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 ₹ 3.52 per unit for 22,936 million units sold in Fiscal 2020 as against ₹ 3.58 per unit for 21,481 million units sold in Fiscal 2019. During Fiscal 2020, the Company has earned ₹ 810.00 crore towards incentives against ₹ 747.65 crore in Fiscal 2019.

Sale of energy increased by 4.10% to ₹ 7,430.81 crore in Fiscal 2020 from ₹ 7,138.24 crore in Fiscal 2019 primarily due to higher generation in Power Stations. Company's Plant Availability Factor (PAF) in Fiscal 2020 was 84.04% as compared to 84.97% in Fiscal 2019.

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 2020	Fiscal 2019
Net Sales (including lease income)	8,301.03	8,095.13
Less: Earlier year sales	220.05	411.47
Adjusted Sales of Energy	8,080.53	7,683.66

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, Mangdechhu Project of Royal Govt. of Bhutan, Loktak Downstream Hydroelectric Corporation Limited and Lanco Teesta Hydro Power Limited. The income from contracts, project management and consultancy works increased by 4.03% from ₹ 23.85 crore in Fiscal 2019 to ₹ 27.88 crore in Fiscal 2020 due to increase in assignments in Fiscal 2020.

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 increased from ₹ 12.96 crore in Fiscal 2019 to ₹ 239.47 crore in Fiscal 2020 due to increased activities in Fiscal 2020.

Other Operating Income

Other operating income in Fiscal 2020 was ₹ 167.03 crore i.e. an increase of 471.24% as against ₹ 29.24 crore in Fiscal 2019. Components of Other Operating Income are placed hereunder:

Table 3 (₹ in crore)

Other Operating Income	Fiscal 2020	Fiscal 2019
Income From Sale of Self-Generated VERs/REC	1.76	14.23
Income on account of generation based incentive (GBI)	2.53	3.21
Interest from beneficiary states	162.74	11.80
Total	**167.03**	**29.24**

Other Income

Other income in Fiscal 2020 was ₹ 1036.18 crore i.e. an increase of 12.05% as against ₹ 924.78 crore in Fiscal 2019. Major components of Other Income are placed and discussed hereunder:

Table 4 (₹ in crore)

Other Income	Fiscal 2020	Fiscal 2019
Interest on Loan to Govt. of Arunachal Pradesh	55.80	51.19
Interest on Term Deposits/ Investments	59.66	99.43
Dividend (mainly from NHDC-a Subsidiary Co.)	489.97	282.47
Late Payment Surcharge	259.34	303.15
Realisation from Insurance Company towards loss due to Business Interruption	-	48.77
Liability/ Provisions not required written back	5.22	30.77
Income from Insurance Claim	29.33	5.02
Mark to Market Gain on Derivative	33.71	-
Other miscellaneous income	103.15	103.98
Total	**1036.18**	**924.78**

Interest on Term Deposit/Investments has decreased to ₹ 59.66 crore during Fiscal 2020 as against ₹ 99.43 crore during Fiscal 2019 due to reduction in surplus cash invested during the year.

During Fiscal 2020, ₹ 489.97 crore was earned as Dividend from investments, mainly from subsidiary company (NHDC Ltd), as against ₹ 282.47 crore during Fiscal 2019.

Expenditure

Table 5 (₹ in crore)

Expenditure	Fiscal 2020	Fiscal 2019
Purchase of Power - Trading	234.13	12.68
Generation Expenses	901.67	796.85
Employee Benefits Expense	1,515.52	1,704.65
Finance Costs	795.42	894.88
Depreciation & Amortization Expense	1,545.34	1,589.99
Other Expenses	1,514.95	1,165.53
Total Expenditure	**6,507.03**	**6,164.58**

Total expenditure increased by 5.56% to ₹ 6,507.03 crore in Fiscal 2020 from ₹ 6,164.58 crore in Fiscal 2019 mainly due to increase in Purchase of Power- Trading by ₹ 221.45 crore, increase in Generation Expenses by ₹ 104.82 crore, increase in Other Expenses by ₹ 349.42 crore partially offset by decrease in Finance Cost by ₹ 99.46 crore, decrease in Employee Benefits Expense by ₹ 189.13 crore and decrease in Depreciation & Amortization Expense by ₹ 44.65 crore. Our total expenditure as a percentage of total income was 66.59% in Fiscal 2020 as compared to 67.85% in Fiscal 2019.

Purchase of Power –Trading

Purchase of Power – Trading consists of expenses on purchase of power for Trading. These expenses represent approximately 3.60% of the total expenditure in Fiscal 2020.

Generation Expenses

Generation expenses consist Water Cess and Consumption of stores and spare parts. These expenses represent approximately 13.86% of the total expenditure in Fiscal 2020 compared to 12.93% of the total expenditure in Fiscal 2019. In absolute terms, these expenses were ₹ 901.67 crore in Fiscal 2020 as against ₹ 796.85 crore in Fiscal 2019. The increase of ₹ 104.82 crore in generation expenses is primarily on account of increased water cess due to increased 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 account for 23.29% of our total expenditure in Fiscal 2020 as against 27.65% in Fiscal 2019. Employee costs has decreased from ₹ 1,704.65 crore in Fiscal 2019 to ₹ 1,515.52 crore in Fiscal 2020 i.e. a decrease of ₹ 189.13 crore in Fiscal 2020. The reduction is mainly due to payment of arrears for regularization of pay scales of below Board level executives during Fiscal 2019.

There were 6131 employees on the payroll as of March 31, 2020 compared to 6753 employees as of March 31, 2019. Out of this, 3501 and 3970 employees were engaged in Operation & Maintenance areas of our business during Fiscal 2020 & 2019 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 12.22% of the total expenditure in Fiscal 2020 compared to 14.52% of the total expenditure in Fiscal 2019. Finance Cost decreased by 11.11% to ₹ 795.42 crore in Fiscal 2020 from ₹ 894.88 crore in Fiscal 2019. The decrease in Finance Cost is mainly due to capitalization of finance cost of Subansiri Lower Project for the last two quarters of Fiscal 2020 partially set off by increase due to allocation of interest in r/o of Wind & Solar Power Projects.

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 2.81% to ₹ 1,545.34 crore in Fiscal 2020 from ₹ 1,589.99 crore in Fiscal 2019. The decrease in depreciation expenses is primarily due to increase in life of Hydropower Generating Stations from 35 years to 40 years as per Tariff Regulation 2019-24 partially offset by additional capitalization at power stations and full year commissioning of Kishanganga Power Station during Fiscal 2020.

As a percentage of total expenditure, depreciation & amortization expense decreased to 23.75% in Fiscal 2020 from 25.79% in Fiscal 2019.

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 23.28% of the total expenditure in Fiscal 2020 as against 18.91% in Fiscal 2019. In absolute terms, these expenses increased approximately by 29.98% to ₹ 1514.95 crore in Fiscal 2020 from ₹ 1165.53 crore in Fiscal 2019. The increase of ₹ 349.42 crore in other expenses is primarily due to increase in Security Expenses, Interest to beneficiary states, CSR Expenses, Insurance Expenses, Exchange Rate Variation, provision made against Survey & Investigation expense on Goriganga-III Project & Tawang-I Project partially offset by decrease in Restoration expenses and losses out of insurance claims, Electricity Expenses etc. which are lower in Fiscal 2020.

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 ₹ 343.61 crore. This includes Regulatory Assets recognised against the borrowing cost and administrative and other cost incurred on Subansiri Lower Project during the first two quarters of the current financial year amounting to ₹ 203.25 crore, Depreciation due to moderation of Tariff in respect of Kishanganga Power Station ₹ 195.62 crore, Exchange Differences against monetary items ₹ 0.99 crore, Adjustment against Deferred Tax Recoverable for tariff period up to 2009 ₹ (-)125.71 crore and Adjustment against Deferred Tax Liabilities for tariff period 2014-19 ₹ 69.46 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 2020 on account of below mentioned four factors:

(i) Creation of Regulatory Deferral Account balances against expenses incurred at Subansiri Lower Project

Work at Subansiri Lower Project was interrupted from December 16, 2011 till October 15, 2019. Accordingly capitalization of borrowing cost and administrative & other expenses incurred on this project are being capitalized from October 2019.

For the half year ended September 30, 2019, Regulatory Assets and Regulatory Income have been recognised as per following details :

Table 6 (₹ in crore)

Sl. No.	Particulars	FY 2019-20	FY 2018-19
i)	Other Income	9.82	21.24
A	**Total Income**	**9.82**	**21.24**
i)	Employee Benefits Expenses	35.60	20.68
ii)	Finance Cost	157.61	76.78
iii)	Depreciation & Amortisation Expenses	3.59	1.77
iv)	Other Expenses	16.27	16.54
B	**Total Expenses**	**213.07**	**115.77**
C	**Net (A-B)**	**(203.25)**	**(94.53)**

(ii) 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 ₹ 195.62 Crore during Fiscal 2020 (Fiscal 2019 ₹ 171.98 Crore) has been recognised as Regulatory Income.

(iii) 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 Rs. 0.99 crores during Fiscal 2020 (Fiscal 2019 ₹ (-) 0.57 Crore), which is recoverable from beneficiaries in future periods.

(iv) 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 2020 are as follows:

In respect of deferred tax recoverable for tariff period upto 2009, ₹ 125.71 Crore has been utilized during fiscal 2020 (Fiscal 2019 ₹ 137.30 Crore) and in respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19), ₹ 69.46 Crore has been recognised as Regulatory Income during Fiscal 2020 (Fiscal 2019 ₹ 490.91 Crore).

Profit before Tax (including Rate Regulated Income)

Due to the reasons outlined above, our profit before tax decreased by 3.65% to ₹ 3,608.17 crore in Fiscal 2020 from ₹ 3,744.78 crore in Fiscal 2019.

Tax Expenses

In Fiscal 2019, we provided ₹ 601.00 crore for tax expenses as compared to ₹ 1,114.23 crore in Fiscal 2019. The decrease in tax expenses in Fiscal 2020 is on account of decrease in deferred tax expenses by ₹ 465.85 crore and decrease in current year taxes by ₹ 114.88 crore which is partially offset by increase in earlier year tax adjustments by ₹ 67.50 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 2020 was ₹ (-)0.62 crore i.e. a decrease of 95% as against ₹ (-)12.41 crore in Fiscal 2019.

Total Comprehensive Income (TCI)

Total Comprehensive Income (TCI) i.e. total profit inclusive of OCI in Fiscal 2020 was ₹ 3,006.55 crore i.e. an increase of 14.84% as against ₹ 2,618.14 crore in Fiscal 2019.

(ii) 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 ₹ 8.87 crore and ₹ 12.04 crore as of March 31, 2020 and 2019 respectively.

Cash Flows

Table 7 (₹ in crore)

	Fiscal 2020	Fiscal 2019
Net cash inflow/(outflow) from operating activities	2,473.45	3,439.76
Net cash inflow/(outflow) from investing activities	(3,156.32)	(1,164.95)
Net cash inflow/(outflow) from financing activities	679.70	(2,269.51)

Net Cash from operating activities

In Fiscal 2020, the net cash from operating activities was ₹ 2,473.45 crore and Profit before Tax and Regulated Income but after exceptional items was ₹ 3,264.56 crore. Net cash from operating activities has 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, ₹ 162.16 crore towards interest earned on Deposits/ Investments 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, Other Financial Liabilities and Provisions.

The net cash from operating activities was ₹ 3,439.76 crore in Fiscal 2019. We had net Profit before Tax and Regulated Income but after exceptional items of ₹ 2,921.38 crore in Fiscal 2019. Our net cash from operating activities had been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,589.99 crore, interest expenses of ₹ 894.88 crore, ₹ 107.10 crore towards provisions, ₹ 45.47 crore on account of tariff adjustment, ₹ 92.34 crore towards sales adjustment on a/c of FERV, ₹ 60.72 crore for deferred revenue on account of advance against depreciation, ₹ 30.77 crore on account of provisions/ liabilities not required written back, ₹ 282.47 crore on account of dividend income, ₹ 165.61 crore towards interest earned on Deposits/Investments and other non-operating items. Changes in Operating Assets & Liabilities had impact of cash outflow by ₹ 967.19 crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances, Other Financial Liabilities and Provisions.

Net Cash from Investing Activities

Our net cash used in investing activities was ₹ 3,156.32 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, ₹ 140.45 crore towards Investment in Joint Venture and ₹ 924.70 crore towards Investment in Subsidiaries partly offset by interest income on Deposits/ Investments by ₹ 127.05 crore and an amount of ₹ 489.97 crore towards dividend income.

Our net cash used in investing activities was ₹ 1,164.95 crore in Fiscal 2019. This mainly reflected expenditure on Fixed Assets i.e. Property, Plant & Equipment, Other Intangible Assets & Expenditure on construction projects of ₹ 1,492.48 crore and ₹ 100.00 crore towards Investment in Joint Venture partly offset by interest income on Deposits/Investments by ₹ 144.14 crore and an amount of ₹ 282.47 crore towards dividend income.

Net Cash from Financing Activities

In Fiscal 2020, our net cash inflow from 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. Our cash outflow on account of repayment of lease liability was to the tune of ₹ 3.27 crore. 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.

In Fiscal 2019, our net cash outflow on financing activities was ₹ 2,269.51 crore. We raised ₹ 2,578.00 crore from fresh domestic term loans & bonds. Borrowings to the tune of ₹ 1,877.16 crore were repaid. Our cash outflow on account of buyback of equity shares was to the tune of ₹ 606.20 crore. The amount related to interest servicing was ₹ 1,215.12 crore. In Fiscal 2019, total dividend (including dividend tax) amounting to ₹ 1,149.03 crore was paid.

(iii) BALANCE SHEET ITEMS

Balance Sheet Highlights

Assets

Table 8 (₹ in crore)

Particulars	As of March 31	
	2020	2019
Non-Current Assets		
Net Fixed Assets	39,393.17	38,749.95
Non-Current Investments	3,400.74	2,361.66
Trade Receivables	0.00	61.51
Long Term Loans	798.65	746.41
Other Financial Assets	3,435.91	3,467.16
Non-Current Tax Assets (Net)	138.90	131.95
Other Non-Current Assets	3,023.61	2,021.35
Total Non-Current Assets	**50,190.98**	**47,539.99**
Current Assets		
Inventories	118.24	117.14
Trade Receivables	3,818.34	2,623.09
Cash & Bank Balances	389.12	390.63
Short Term Loans	46.03	45.18
Other Financial Assets	2,699.74	1,984.26
Current Tax Assets (Net)	86.95	61.22
Other Current Assets	427.90	355.25
Total Current Assets	**7,586.32**	**5,576.77**
Regulatory Deferral Account Debit Balances	6,836.22	6,492.61
Total Assets and Regulatory Deferral Account Debit Balances	**64,613.52**	**59,609.37**

Equity and Liabilities

Table 9 (₹ in crore)

	As of March 31,	
	2020	2019
Equity (Net Worth)		
Equity Share Capital	10,045.03	10,045.03
Other Equity	19,938.78	19,169.70
Non-Current Liabilities		
Long Term Borrowings	20,889.74	17,044.63
Other Financial Liabilities	2,059.23	2,058.64
Long Term Provisions	27.66	26.82
Deferred Tax Liabilities (Net)	3,641.19	3,610.63
Other Non-Current Liabilities	2,082.65	1,824.98
Current Liabilities		
Short Term Borrowings	714.31	406.00
Trade Payables	304.26	180.18
Other Financial Liabilities	2,879.70	2,846.92
Other Current Liabilities	802.81	1,066.47
Short Term Provisions	1,228.16	1,329.37
Total Equity and Liabilities	**64,613.52**	**59,609.37**

Financial Condition

Net Fixed Assets

Our fixed assets consist of Land, Dams, Tunnels, Buildings including Power House Buildings, Construction Equipment, Plant & Machinery, Office Equipment, Computers and Intangible Assets etc. Our Fixed Assets after Depreciation, defined as net Fixed Assets, were ₹ 39,393.17 crore and ₹ 38,749.95 crore as of March 31, 2020 and March 31, 2019 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 ₹ 3,400.74 crore and ₹ 2,361.66 crore as of March 31, 2020 and March 31, 2019 respectively.

The increase in Investment is the net effect of increase in investment in Lanco Teesta Hydro Power Limited (wholly owned subsidiary) and investment in one of our Joint Venture Company partially offset by decrease 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. Loans as of March 31, 2020 and of March 31, 2019 were ₹ 844.68 crore and ₹ 791.59 crore respectively i.e. there is an increase of 6.71 % over figures of previous Fiscal mainly due to increase in loan including interest to Govt. of Arunachal Pradesh partially offset by decrease in employee loans.

Other Financial Assets (Current & Non-Current)

The other financial assets as at March 31, 2020 stood at ₹ 6,135.65 crore against ₹ 5,451.42 crore for the previous fiscal. i.e. there is an increase of 12.55% 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, Receivable from Subsidiaries/JVs and Receivable on account of unbilled revenue etc.

The increase of 12.55% in Fiscal 2020 as compared to the figures in Fiscal 2019 is mainly due to increase in receivable on account of unbilled revenue partially offset by decrease in Lease rent receivable and receivable from Subsidiaries/JVs.

Tax Assets (Current & Non-Current)

Tax assets as of March 31, 2020 and 2019 were ₹ 225.85 crore and ₹ 193.17 crore respectively i.e. there is an increase of 16.92% over figures of previous Fiscal. Tax Assets include Advance Income Tax & Tax Deducted at Source.

Other Non-Current Assets

Other non-current assets mainly comprise deferred foreign currency fluctuation assets, capital advances and advance to contractor against arbitration awards. Our other non-current assets as of March 31, 2020 and 2019 were ₹ 3,023.61 crore and ₹ 2,021.35 crore respectively. The increase of 49.58% in Fiscal 2020 as compared to the figures in Fiscal 2019 is mainly due to increase in advance to contractor against arbitration awards partially offset by decrease in capital advances.

Inventories

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹ 118.24 crore and ₹ 117.14 crore as of March 31, 2020 and 2019 respectively.

Trade Receivables (Current & Non-Current)

These consist primarily of receivables against the sale of electricity and debtors for surcharge excluding unbilled revenue. The trade receivables (net of provision for doubtful debts) as of March 31, 2020 and 2019 were ₹ 3,818.34 crore and ₹ 2,684.60 crore respectively. Increase of 42.23% in trade receivables in Fiscal 2020 as compared to Fiscal 2019 is due to lower realisation of outstanding dues.

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 Yojana 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, 2020 and 2019, respectively, were ₹ 8.87 crore and ₹ 12.04 crore. The decrease of ₹ 3.17 crore during Fiscal 2020 is net result of cash outflow on investing activities by ₹ 3,156.32 crore offset by cash inflow of ₹ 2,473.45 crore & ₹ 679.70 crore on account of operating & financing activities respectively.

Bank balances other than Cash and Cash Equivalents as of March 31, 2020 and 2019, respectively, were ₹ 380.25 crore and ₹ 378.59 crore.

Our bank balances other than Cash and Cash Equivalents included ₹ 268.78 crore (Previous Year ₹ 253.82 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 ₹ 111.43 crore (Previous Year ₹ 124.77 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, 2020 and 2019 respectively were ₹ 427.90 crore and ₹ 355.25 crore, an increase of 20.45% in Fiscal 2020 as compared to the figures in Fiscal 2019 is mainly due to increase in interest accrued and due on advances to contractors.

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, 2020 and March 31, 2019 were as under:

Table 10 (₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Regulatory Deferral Account balances in respect of Subansiri Lower Project	3,470.59	3,267.34
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	367.60	171.98
Exchange differences on Foreign Currency Monetary items	0.02	(0.97)
Adjustment against Deferred Tax Recoverable for tariff period upto 2009	1,529.02	1,654.73
Adjustment against Deferred Tax Liabilities for tariff period 2014-2019	837.09	767.63
Total	**6,836.22**	**6,492.61**

Net worth

The net worth of the Company at the end of fiscal 2020 increased to ₹ 29,983.81 crore from ₹ 29,214.73 crore in the previous fiscal registering an increase of 2.63% 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 ₹ 14,532.79 crore, ₹ 974.00 crore and ₹ 5,371.87 crore in fiscal 2020 as against ₹ 11,635.59 crore, ₹ 1,040.34 crore and ₹ 4,368.70 crore respectively in fiscal 2019. 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 22.56% over previous fiscal is mainly on account of issue of 'Y', 'Y-1', 'AA' & 'AA-1' Series Bonds partly offset by redemption of bonds and repayment of borrowings.

Other Financial Liabilities (Current & Non-Current)

The other financial liabilities as at March 31, 2020 stood at ₹ 4,938.93 crore against ₹ 4,905.56 crore for the previous fiscal i.e. there is an increase of 0.68% 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 ₹ 1,255.82 crore as at March 31, 2020 as against ₹ 1,356.19 crore for previous fiscal i.e. there is a decrease of 7.40 % over figures of previous fiscal due to decrease in Provision for Tariff Adjustment, Provision for Wage Revision – 3rd Pay Revision Committee partly offset by increase in Provision for PRP.

Deferred Tax Liabilities

The Deferred Tax Liabilities as at March 31, 2020 stood at ₹ 3,641.19 crore against ₹ 3,610.63 crore for the previous fiscal.

Other Non-Current Liabilities

The Other Non-Current Liabilities as at March 31, 2020 stood at ₹ 2,082.65 crore against ₹ 1,824.98 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, 2020 stood at ₹ 714.31 crore against ₹ 406.00 crore for the previous fiscal. Short term borrowings consist of borrowings from Banks.

Trade Payables

The Trade payables as at March 31, 2020 stood at ₹ 304.26 crore against ₹ 180.18 crore for the previous fiscal i.e. there is an increase of 68.86% over figures of previous fiscal.

Other Current Liabilities

The other current liabilities as at March 31, 2020 stood at ₹ 802.81 crore against ₹ 1,066.47 crore for the previous fiscal i.e. there is a decrease of 24.72% over figures of previous fiscal.

(iv) OFF-BALANCE SHEET ITEMS

Contingent Liabilities

The following table sets forth the components of our contingent liabilities as of Fiscal 2020 and 2019.

Table 11 (₹ in crore)

Particulars	Fiscal 2020	Fiscal 2019
Claims against the Company not acknowledged as debts in respect of:		
Capital Works	10,144.10	10,494.10
Land Compensation Cases	137.04	186.49
Disputed Tax matters and Other Items	1,233.97	1,224.42
Total	**11,515.11**	**11,905.01**

Contingent liabilities decreased by 3.28% from ₹ 11,905.01 crore as of March 31, 2019 to ₹ 11,515.11 crore as of March 31, 2020.

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, 2020 and 2019, respectively was ₹ 1,494.57 crore and ₹ 1,037.30 crore. The Profit After Tax of NHDC Ltd. for the financial year ended March 31, 2020 and 2019, respectively was ₹ 919.96 crore and ₹ 490.71 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 ₹ 123.39 crore of which NHPC's contribution is ₹ 90.29 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 ₹ 60.00 crore. Paid up share capital of the company is ₹ 5.00 crore of which NHPC's contribution is ₹ 5.00 crore (99.99%). 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 ₹ 920.50 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.

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 2,164 MW in Chenab River Basin. Paid up share capital of the company is ₹ 1,780 crore of which NHPC's contribution is ₹ 888 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, 2020 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, 2020, the Company incurred a loss of ₹ 21.38 crore while loss for the financial year ended March 31, 2019 was ₹ 7.38 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 2020	Fiscal 2019
Total Income	10,776.64	9,846.81
Profit before Tax	3,615.22	4,159.41
Profit after Tax (after adjustment of Non-Controlling Interest)	2,874.61	2,595.61

Key Financial Ratios (Standalone basis)

Table 13

S. No.	Ratios	Fiscal 2020	Fiscal 2019	% Change
1.	Debtors Turnover Ratio	2.69	4.12	(-) 34.72%
2.	Inventory Turnover Ratio	Not Applicable	Not Applicable	-
3.	Interest Coverage Ratio	7.53	7.68	(-) 1.86%
4.	Current Ratio	1.28	0.96	33.73%
5.	Debt Equity Ratio	0.82	0.71	15.63%
6.	Operating Profit Margin	37.49%	40.51%	(-) 7.46%
7.	Net Profit Margin	30.77%	28.95%	6.30%
8.	EBITDA Margin	59.23%	67.70%	(-) 12.51%
9.	Debt Service Coverage Ratio	3.41	3.35	1.79%

Debtor Turnover Ratio

Debtor turnover Ratio of the company at the end of Fiscal 2020 decreased to 2.69 from 4.12 in the previous Fiscal 2019 registering a decrease of 34.72% due to increase in trade receivables in Fiscal 2020.

Current Ratio

Current Ratio of the company at the end of Fiscal 2020 increased to 1.28 from 0.96 in the previous Fiscal 2019 registering an increase of 33.73% mainly due to increase in amount recoverable from parties and trade receivables, receivable on account of unbilled revenue in Fiscal 2020.

Return on Net worth

Return on Net Worth of the company at the end of Fiscal 2020 increased to 10.03% from 9.00% in the previous Fiscal 2019 registering an increase of 11.38% mainly due to increase in profit after tax and increase in retained earnings.

12. MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

Your company recognizes the importance of human capital for the success of its business. Company 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 transfers through-out the organization facilitate planned development of careers and broaden the outlook of employees. The implementation of Online Human Resource Management System has reduced the time for settlement of employees' various claims and benefits. The industrial relations in the company remained harmonious, peaceful and cordial during the year. Employees' participation has been ensured through information sharing with employees, seeking their support, suggestions and co-operation. The company continues to align its HR strategies with organizational strategies.

(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 enable the employees to keep themselves abreast with the latest developments in the areas of their operations. 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, 2020 was 6,131 (3,380 executives, 168 supervisors & 2,583 workmen).

(iii) WELFARE MEASURES FOR WOMEN EMPLOYEES

The number and percentage of women employees as on March 31, 2020 is given at **Table 14**.

Table 14: Particulars of women employees

Total no. of employees as on 31.03.2020	No. of women employees	% of overall employee strength
6,131	649	10.59

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.
- Crèche facility has been provided for the infants of the employees posted at Corporate Office.
- Internal Complaints Committee has been constituted to examine the grievances/complaints relating to sexual harassment reported by women employees at various locations of the company.
- Child care leave with pay up to 730 days is being provided to women employees 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%) for rearing or to look after any of their needs like examination, sickness etc.
- Maternity leave is being provided as per service rules.
- Women employees have option to declare parents/parents-in-law as their dependents under medical rules.
- Relaxations are given to women employees in attendance timings at Corporate Office.
- Women representatives are nominated on selection board/committee constituted for promotion/recruitment of employees.
- 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)

NHPC is taking care of socio-economic development of SC/ST/OBC and weaker section of the society at its various projects/power stations situated in remote areas. Adequate budget has been allocated for schools and colleges located at various SC/ST/OBC populated areas near its projects/power stations.

As per the guidelines issued by DoPT from time to time, SC/ST/OBC candidates are provided reservation and relaxation in direct recruitment. The relaxed standard and reservation is also applicable to SC/ST employees, while considering them for promotion. The company's management discusses with SC/ST/OBC employees, the issues related to them in periodical meetings. A SC/ST/OBC Cell has been set up for the welfare of SCs/STs and OBCs headed by separate Liaison Officers.

Representation of SC/ST/OBC employees is given at **Table 15**.

Table 15: Particulars of SC/ST/OBC employees

Total no. of employees as on 31.03.2020	Representation					
	SC	% age	ST	% age	OBC	% age
6,131	892	14.55	384	6.26	883	14.40

(v) WELFARE MEASURES FOR DIFFERENTLY ABLED EMPLOYEES:

Representation of differently abled employees is given at **Table 16**.

Table 16: Particulars of differently abled employees

Total no. of employees as on 31.03.2020	Differently abled employees			% of differently abled employees	
	VH	HH	OH	Total	%age
6,131	11	3	103	117	1.91

VH=Visual Handicap, HH=Hearing Handicap, OH=Orthopedic Handicap

Steps taken for the welfare of differently abled employees:

The reservation and relaxation has been provided to differently abled candidates/employees in direct recruitment and promotions 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 "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, 2019 and September, 2019 were submitted to 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 Studies (EIA) to evaluate the effectiveness of the management plans implemented during the course of construction of the project.

(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 the annexure 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, 2020
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 was carried out 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 13 power stations.
- Your company is replacing different types of conventional HPSV street light fittings/ CFL, FTL and conventional indoor light fittings with LED light fittings as an energy conservation measure.

(ii) Steps taken by the company for utilizing alternate sources of energy

Roof-top solar panels of cumulative capacity of 2,494.7 KWp have been installed at various locations of the company. Out of above, solar panels of 1,000 KWp capacity have been installed during the year 2019-20. Works for additional capacity of 1,589 KWp roof-top solar power projects at various locations of the company have been awarded during the year and installation works are in progress.

(iii) Capital investment on energy conservation equipments

₹ 644.50 lakhs.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

a) R&D projects completed in FY 2019-20

- Aerial survey of 1 sq. Km of Head Race Tunnel area of Parbati-III Power Station was carried out in association with Construction Industry Development Council (CIDC), New Delhi by using latest drone technology equipment. The survey has helped in assessing the problem of seepage by obtaining the bird's eye view of surface topography and geology of the inaccessible areas.
- An in-house study of "Design and evolving of diversion log boom for Salal Power Station" was conducted. The study had helped in preparation of detailed procedural document for designing and launching of log boom, to minimize the generation loss due to the problem of logs and trash.
- An in-house study on "Design guidelines for dynamic analysis for high concrete gravity Dams" was conducted to provide an insight on design of structurally safe large dams with various seismic loads, based on national/ international guidelines/ codes. It has introduced procedures to show how to design/ evaluate a hydraulic structure with a predictable performance for specified levels of seismic hazards.
- NHPC has developed software for creation of data bank regarding purchase details of O&M equipment's/ spares (E&M and HM) and construction materials. With the help of this application software, time for preparation of cost estimates will be reduced. It will also be used as reference for preparation of Detail Project Report/ Tender Check Estimate/ Purchase Requisition.
- A study on the actual benefit of High Velocity Air Fuel (HVAF) coating over High Velocity Oxy Fuel (HVOF) coating for protection from silt erosion and cavitation of underwater parts has been completed. Study showed that HVAF coating is far better than HVOF coating.

b) On-going R&D Projects

- NHPC is utilizing space technology for Remote Sensing Based Sedimentation studies for Teesta-IV H.E. Project through National Remote Sensing Centre (NRSC), Hyderabad. The study is being 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 H.E. Project catchment area. The study is scheduled to be completed in January, 2021.
- A 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. is

being conducted through National Council for Cement and Building Materials (NCCBM), Ballabgarh.

- Studies for understanding the flow characteristics and cavitations profiles for minimum damage to spillway profiles are being conducted. 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 with Central Water and Power Research Station (CWPRS), Pune.
- Power Patch leak repair system has been adopted 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.
- Supply, installation, testing and commissioning of online cavitation monitoring system for Teesta-V Power Station has been awarded to M/s GE Power India Ltd. This measurement can help in monitoring cavitation and other flow instabilities without any down time of generating units that are potentially detrimental to machinery and operations.
- Study for monitoring hydro abrasive erosion, suspended sediment and efficiency reduction is being carried out for optimal operation of hydropower plant through AHEC, IIT Roorkee in Baira Siul Power Station. Initial 3D scanning of all the units has been completed.
- Study on "Numerical and physical model studies for elimination of de-silting basins in hydro-electric projects by sediment management through reservoir operation techniques" is being carried out in association with Central Water and Power Research Station (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. A proposal from Department of Earthquake Engineering, IIT-Roorkee has been obtained for taking up the said R&D project on a JV basis.
- Study for identification of suitable substitute for fly ash which can be considered for roller compacted concrete Dams is being carried out with the help of NCCBM, Ballabgarh.
- Study for checking the suitability of available fly ash sources in India for use in roller compacted concrete Dams is being carried out in association with NCCBM, Ballabgarh.
- NHPC has established a Professorial chair at IIT Roorkee (IITR) to catalyze innovation, research and development in hydropower sector in IITR and Indian academia as well as to facilitate or undertake studies on environment and social impacts of water resources and hydropower development projects, including study and application of climate change protocol for promoting clean energy. Chair Professor has been appointed and Chair is functional. Following two R&D proposals have been entrusted in February, 2020.

a.) CFD Analysis for Spillways in Dibang Multipurpose Project (2880 MW), Arunachal Pradesh.

b.) Investigation of flow instabilities during transient and part load operation of Nimoo Bazgo (3x15MW) Power Station.

(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 2019-20 was ₹ 10.65 crore including ₹ 6.76 crore towards establishment expenses.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Crore)

S. No.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a)*	Expenditure in Foreign Currency:		
	i) Interest	25.29	21.37
	ii) Other Misc. Matters	81.28	83.49
b)*	Value of spare parts and Components consumed in operating units:		
	i) Imported	-	-
	ii) Indigenous	18.74	21.54
c)*	Earnings in foreign currency:		
	i) Others	-	-

*Accrual basis

For and on behalf of the Board of Directors

(Abhay Kumar Singh)
Chairman and Managing Director
DIN 08646003

Date: August 27, 2020
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**

   2019-20

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 Programme 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 is providing consultancy services for Engineering and Design of Mangdechhu HE Project (720 MW) to Mangdechhu Hydroelectric Project Authority (MHPA).
- The Detailed Project Report of Chamkarchhu-I HE Project (770 MW) in Bhutan was accepted by CEA on 29.12.2014 after signing Implementation Agreement between RGoB & GoI on 22.04.2014. The project is proposed to be executed in a Joint Venture mode between NHPC & DGPC (Govt. of Bhutan PSU) with equal share holding. Discussions are underway for JV formation.
- NHPC exchanged "Letter of Intent" with HIDCL (Hydroelectricity Investment and Development Company Ltd. – A company owned by Govt. of Nepal) during 'Power Summit 2019' organised in November 2019 at Kathmandu, Nepal for joint cooperation on development of hydropower in Nepal.
- NHPC Ltd. and NEA Engineering Co. Ltd., Nepal exchanged "Letter of Intent" for mutual co-operation in the field of Design & Engineering on 13.12.2019. This exchange would start a new journey of cooperation between India and Nepal for hydropower development in Nepal.

9.2. **Number of National Location**

We have 22 power stations and 3 construction projects in 9 states across the country.

State	Location/ District	
	Under Operation	Under Construction
U/T of J&K	Baramulla (2), Kathua, Reasi, Kishtwar, Bandipora	-
U/T 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	East Sikkim*
Manipur	Bishnupur	-
Rajasthan	Jaisalmer	-
Tamilnadu	Dindigul	-

* Teesta-VI Project of Lanco Teesta Hydro Power Ltd. (LTHPL) acquired under Corporate Insolvency Resolution Process. Process of Merger of LTHPL with NHPC is under progress.

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/UT. NHPC has also ventured into Power Trading Business in FY 2018-19 and sold power to various DISCOMs procured from other generators. In FY 2019-20 following States/UTs have been served by NHPC:

Jammu & Kashmir	Rajasthan	Assam
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 31.03.2020)

2. **Total Turnover (INR)**

   INR 8735.41 Crores (during FY 2019-20)

3. **Total profit after taxes (INR)**

   INR 3007.17 Crores (during FY 2019-20)

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**

   During FY 2019-20, an expenditure of ₹ 126.43 Crore has been incurred by NHPC on CSR activities, which is 4.23% 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
   - Women Empowerment & Senior Citizen
   - Capacity Building, Sports, Art & Culture and other initiatives

Section C: Other Details

1. **Does the Company have any Subsidiary Company/Companies?**

   Yes. NHPC Limited has four Subsidiary Companies as on 31.03.2020, namely:

   i. NHDC Limited

   ii. Loktak Downstream Hydroelectric Corporation Limited

   iii. Bundelkhand Saur Urja Limited

   iv. Lanco Teesta Hydro Power 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 Number: 02889021
   - Name: Mr. Mahesh Kumar Mittal
   - Designation: Director (Finance)

   1.2. Details of the BR head

   - DIN Number: Not Applicable
   - Name: Mr. Harish Kumar
   - Designation: Executive Director (Planning)
   - Telephone Number: (0129) 2271425
   - Email Id: harishkumar@nhpc.nic.in

2. Principle-wise (as per NVGs) BR Policy/policies:-

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

* CSR & Sustainable Development Policy is available at: http://www.nhpcindia.com/writereaddata/images/pdf/CSR_Policy_E_CMA_201811_1.pdf. Resettlement & Rehabilitation policy is available at: www.nhpcindia.com/r-and-r-initiative.htm. Fraud Policy is available at: www.nhpcindia.com/writereaddata/images/pdf/NHPCFraudPrevention-Detectionpolicy-may16.pdf. Whistle Blower Policy is available at: www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf. Policy for Business Banning dealings is available at: www.nhpcindia.com/writereaddata/images/pdf/Guidelines-BanningofBusinessDealings-Revised.pdf. Corporate Governance compliance is available at: www.nhpcindia.com/corporate-governance.htm; Integrity pact available at http://www.nhpcindia.com/writereaddata/images/pdf/ip_ip_program.pdf. Integrated Management System Certificate are available at www.nhpcindia.com/writereaddata/images/pdf/9001-2015.pdf; www.nhpcindia.com/writereaddata/images/pdf/14001-2015.pdf;www.nhpcindia.com/writereaddata/images/pdf/18001-2007.pdf. Code of Business Conduct and Ethics and NHPC Conduct, Discipline and Appeal Rules are available over the company intranet.

2A. If answer to S. No. 1 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**

- 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.

- 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 2019-20. 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 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?**

   The status of Complaints received in FY 2019-20 is as below:

A) Corporate Governance Norms and code of business conduct and ethics.

The numbers of shareholders complaints available are as follows:

Description	Opening Balance as on 01.04.2019	Received During the Year 2019-20	Resolved During the Year 2019-20	Pending as on 31st March, 2020
Non-receipt of refund orders	0	0	0	0
Non-receipt of dividend warrants	0	2172	2172	0
SEBI Complaints	0	13	13	0
Stock exchange complaints	0	0	0	0
Consumer forum/Court cases	2	0	0	2
Advocate Notices	0	0	0	0
Total	**2**	**2185**	**2185**	**2**

B) The numbers of Bondholder's complaints available are as follows:

Description	Opening Balance as on 01.04.2019	Received During the Year 2019-20	Resolved During the Year 2019-20	Pending as on 31st March, 2020
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	46	46	0
Non-receipt of Bonds/Securities	0	12	12	0
Total	**0**	**58**	**58**	**0**

C) During the financial year 2019-20, one disclosure was received under Whistle Blower Policy, which has been examined in accordance with procedure under the policy. The disclosure and report containing recommendation has been submitted to the Chairman, Audit Committee for consideration.

Further, the company has observed 11 (eleven) cases of fraudulent practices/misrepresentation/poor performance etc. categorised under guidelines for Banning Business dealing with bidders in respect of Contractor/Supplier during F.Y. 2019-20, details of which are as under.

i) M/s Valecha Engineering Limited banned for 05 (five) years from 19.08.2019 across NHPC.

ii) M/s Arif Budhan banned for 06 (six) months from 25.04.2019 for Uri-II Power Station.

iii) M/s M.S. Services Pvt. Limited banned for 02 (two) years from 08.07.2019 for RO Chandigarh.

iv) M/s Panwar Construction Company banned for 01 (one) year from 02.08.2019 for RO Chandigarh.

v) M/s Arihant Analytical Laboratory Pvt. Ltd. banned for 03 (three) years from 23.08.2019 for Corporate Office.

vi) M/s ADS Enterprise banned for 02 (two) years from 04.11.2019 for RO Chandigarh.

vii) M/s Godawari Farms & Services banned for 02 (two) years from 29.11.2019 for Corporate Office.

viii) M/s Apar Infratech Pvt. Ltd. banned for 05 (five) years from 16.12.2019 across NHPC.

ix) M/s Helpline Facility Management Pvt. Ltd. Noida banned for 03 (three) years from 15.01.2020 for Corporate Office.

x) M/s Mahindra Susten Pvt. Ltd. banned for 06 (six) months from 09.03.2020 across NHPC.

xi) M/s Yellow 2Gen Energy Pvt. Ltd. banned for 06 (Six) months from 09.03.2020 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.

Hydropower generation.

2. For each such product, provide the following 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. 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 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 31.03.2020 is 6131.

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 31.03.2020 is 649.

4. **Please indicate the Number of permanent employees with disabilities.**

   Total number of permanent employees with disabilities as on 31.03.2020 is 117.

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 Corporate.

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.**

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 (2019-20) is as below:

(a)	Permanent Employees	-	51.70%
(b)	Permanent Women Employees	-	4.22%
(c)	Casual/Temporary/ Contractual Employees	-	Nil
(d)	Employees with Disabilities	-	0.55%

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.

Number of complaints relating to child labour, forced labour, involuntary labour in 2019-20 and pending, as of end 2019-20.	None received in this category and none pending.
Number of complaints relating to sexual harassment in 2019-20 and pending, as of end 2019-20.	None received in this category and none pending.
Number of complaints relating to discriminatory employment in 2019-20 and pending, as of end 2019-20.	None received in this category and none pending.

- 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 01.04.2019	Received During the Year 2019-20	Resolved During the Year 2019-20	Closing Balance as on 31.03.2020
Nil	19	14	05

   The number of Public Grievances as per "Centralised Public Grievance Redressal & Monitoring System" linked with Ministry of Power is as under:

Opening Balance on 01.04.2019	Received During the Year 2019-20	Resolved During the Year 2019-20	Closing Balance as on 31.03.2020
06	82	83	05

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 Hydropower, Solar & Wind Energy generation, which is clean power and reduces greenhouse gases compared to other conventional mode of power generation. It 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 OHSAS 18001:2007 (Occupational Health and Safety Assessment Series). 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 projects namely Nimoo Bazgo and Chutak located in the U/T of Ladakh have been registered by CDM Executive Board of United Nations Framework Convention on Climate Change (UNFCCC) during March, 2009 under the methodology ACM0002; Consolidated methodology for grid connected electricity generation from renewable sources. As a result of this change, the projects will no longer conform to the applicability conditions of ACM0002 and thus will not generate any CER's under the existing registrations of the UNFCCC. However, the consultant has concluded that the project does not require change in methodology and the verification process can be initiated under existing registration. Accordingly, the 'Change Order' for revision of scope of work and payment clause has already been issued.

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. Further, Roof Top Solar Projects with aggregate capacity 2.49 MW has also been commissioned at different NHPC Locations. Additional roof top solar plants of aggregate capacity 1.59 MW is also under installation at various NHPC Locations. Request for Selection (RfS) Document for selection as a developer was invited for the development of aggregate 2000 MW Solar Power Projects on anywhere India basis. Letter of Awards (LOA) for entire 2000 MW have been issued and signing of PPA (Power Purchase Agreement-with Developers) and PSA (Power Sale Agreement-with Discoms/ Consumers) is in process.

   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 Scheme of MNRE, 72 MW Wind), Odisha (500 MW Floating Solar in JV Mode with State Nodal Agency GEDCOL under UMREPP Scheme of MNRE, 140 MW utility solar project in EPC mode), Telangana (500 MW Floating Solar in JV Mode with State Nodal Agency TSREDCO under UMREPP Scheme of MNRE, 293 MW utility solar project in EPC mode) etc. Discussions with State Authorities are under way 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 Hydropower generation. However, river water quality is being regularly analyzed to assess any change in quality of river water after power generation which is 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 2019-20.

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 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 in association with Non-Government Organizations (NGOs) and Government Institutions.

3. **Have you done any impact assessment of your initiative?**

   NHPC has adopted the policy to carry out Impact assessment studies for CSR Activities which are of the Value of ₹ 2 Crore or more, or which have an implementation period of 03 years or more, or which are High Impact Projects.

   Impact assessment studies have been carried out through Omeo Kumar Das Institute of Social change and Development (OKDISCD), Guwahati, Assam, Institute for Human Development, Delhi, Sankul, for major activities implemented by Subansiri Lower HE Project, Skill Development Initiatives through NSDC, Establishing manufacturing Unit for Sanitary Napkins.

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 2019-20 was ₹ 126.43 Crore. The details are as under-

Project		Amount (INR) for 2019-20
i.	Education & Skill development	57.96 Crore
ii.	Health Care	48.08 Crore
iii.	Rural Development	9.00 Crore
iv.	Environment & Sustainability	3.31 Crore
v.	Women Empowerment/ Senior Citizen	0.36 Crore
vi.	CSR Capacity Building, Sports, Art & Culture and Other Initiatives	7.72 Crore
Total expenditure		**126.43 Crore**

The details of various Projects undertaken during the year are as under:

1. **Education & skill development**

   a) Skill Development and Vocational Training Programs confirming to NSQF (National Skill Qualification Framework).

   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.

2. **Healthcare**

   a) Organizing a large number of medical camps, Cataract surgery camps and Vaccination Programmes in surrounding areas of Projects/Power Stations and distributed free medicines to economically weaker families/ individuals.

b) Providing aids and assistive devices to differently abled persons. Providing of special wheel chairs for students with cerebral palsy.

c) Providing assistance for Improvement of overall health conditions of the communities through up-gradation of Govt. Hospitals, Maternity Centres.

d) Providing Ambulances, Multi-utility vehicles, Medical equipment and other infrastructure facilities to Govt. Hospitals.

e) Safe Drinking Water facilities with bore well, filtration in public areas, community centres etc.

f) Community drinking water facility with RO Plant.

g) Basic Amenities/Sanitation facilities in Market/Public places.

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, providing utility van for cleaning debris 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 etc.

c) Training to the farmers for development of Agriculture/Horticulture/fisheries and other advanced methods of farming.

d) 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.

c) Contribution to Clean Ganga Fund for cleaning & rejuvenation of river Ganga.

5. Women Empowerment/Senior Citizen

a) Skill Development Programs for Women Empowerment.

b) Distribution of sewing machines to women.

c) Renovation of only women market & Aganwadi Centre.

d) Setting of sanitary pad manufacturing Units.

e) Various Skill Development programs for empowerment of women.

f) Arrangement of training to local Self-help groups on tailoring, knitting, fast food making.

6. Sports, Art & Culture/Other Initiatives

a) Impact assessment/Evaluation studies/ Base line survey.

b) Training to promote Rural Sports.

c) Promotion of local Art & Culture.

d) Coaching of Local Sports persons in various sports.

e) Contribution of Ex-Armed Forces.

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 bottom 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?**

   No customer complaints received during FY 2019-20. No cases from FY2018-19 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)**

   Not Applicable.

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?**

   No such cases has been filed by any stakeholder.

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 dues. NHPC also conduct periodic Customer Meets for its beneficiary DISCOMs for interaction and for resolving the outstanding issues, if any. NHPC hosted 45th NRPC on 7th and 8th June 2019 in Gangtok.

For and on behalf of the Board of Directors

(Abhay Kumar Singh)
Chairman and Managing Director
DIN 08646003

Date: August 27, 2020
Place: Faridabad

ANNEXURE- VI

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

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.

Your Company is providing support for improvement of infrastructure in schools, establishment of Digital smart class rooms/Library etc. In addition, scholarships to a large number of students studying in Govt. schools within the vicinity of Projects/Power Stations/Townships have been provided. Your Company is also contributing for up-gradation in some of the adopted ITIs.

Various skill development and vocational training programs conforming to NSQF (National Skill Qualification Framework) have been initiated to improve quality of life of people living in the surrounding areas of various Projects/Power Stations and around 3000 persons have been trained in the employment oriented programs with the aim of providing 70% placement in Government identified Aspirational districts of Baramulla (J&K) and Chamba (HP) as well as at other locations namely Bandipora, Kishtwar & Kathua (J&K), Mandi & Kullu (HP), Jalpaiguri & Darjeeling (West Bengal), Pithoragarh, Tanakpur (Uttarakhand), South/East Sikkim (Sikkim), Lakhimpur, Sonitpur (Assam), Dindigul (Tamil Nadu) and Ziro, Itanagar (Arunachal Pradesh).

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 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 ambulances, high end medical equipment, multi-utility vehicles and other infrastructural support to Govt. Hospitals and health awareness camps round the year.

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.

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, utility van for cleaning debris 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. Your company has also carried out the work of educating and training the farmers for development of Agriculture/Horticulture/fisheries and other advanced methods of farming.

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 have 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. 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 ₹ 25 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.

The Corporate Social Responsibility & Sustainability Policy of your Company is available at following link: http://www.nhpcindia.com/writereaddata/images/pdf/CSR_Policy_E_CMA_201811_1.pdf

2. The Composition of CSR Committee:

The management structure of CSR & Sustainability activities is as follows:

A Board level Committee headed by an Independent Director has been constituted to allocate budget, review the progress and provide guidance on various CSR & Sustainability initiatives. The composition of 'Committee of Directors on CSR & Sustainability' as on 31st March, 2020 is as under:

1.	Shri Bhagwat Prasad	Independent Director	Chairman
2.	Shri Ratish Kumar	Director (Projects)	Member
3.	Shri N. K. Jain	Director (Personnel)	Member
4.	Shri M. K. Mittal	Director (Finance)	Member
5.	Shri Janardan Choudhary	Director (Tech)	Member

3. Average Net Profit of the company for last three financial years:

The details of net profit for preceding 3 financial years for the purpose of computation of CSR budget as per Section 198 of Companies Act, 2013 are as under:

Sl. No.	Financial Year	Net Profit (₹ in Crores)	Average Net Profit (₹ in Crores)
1	2016-17	3178.20	2987.00
2	2017-18	2785.22	
3	2018-19	2997.58	

4. Prescribed CSR Expenditure:

₹ 59.74 crores (2% of average net profit for preceding 3 years). In addition to this, an unspent amount of ₹ 63.42 crores was also carried forwarded from previous financial years and an additional fund of ₹ 3.28 crores was allocated. Accordingly, the total budget allocation made for FY 2019-20 was ₹ 126.44 crores.

5. Details of CSR spent during the Financial Year:

a) **Total Amount spent during the Financial Year 2019-20:**

₹ 126.44 crores (including ₹ 63.42 crores out of carried forward amount)

b) **Amount unspent, if any:**

NIL

c) **Manner in which the amount spent during the financial year is detailed below:**

Sr No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the projects or programs (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implemen-ting agency
1.	Construction & Upgradation of School Buildings, library buildings and Labs. Providing Infrastructure in Schools.	Education & Skill Develop-ment	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt-Reasi, Baramulla, Kishtwar, Kathua and Bandipora in	5796	5796	5796	Direct

Sr No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the projects or programs (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
	Smart Class rooms. Scholarship to Students. Organizing Employment Oriented Vocational Training/ Skill Training Programs for unemployed youth. Developmental/ up-gradation activities in ITI.		Jammu & Kashmir, Leh (Ladakh), Kargil in Ladakh UT, Distt-Kullu, Chamba & Mandi in Himachal Pradesh, Distt-East Sikkim and South Sikkim in Sikkim, Distt-Churachandpur in Manipur, Distt-Pithoragarh, Dehradun & Champawat in Uttarakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt. Lakhimpur, Sonitpur in Assam, Distt-Lower Subansiri, Itanagar and Dibang Valley in Arunachal Pradesh, Distt. Dindigul in Tamil Nadu and Distt. Faridabad in Haryana.				
2.	Arranging Medical Camps, Eye Check Up Camps. Distribution of aids & assistive devices to differently abled persons in partnership with "ALIMCO". Up gradation of Govt. Hospitals. Providing Ambulances, Medical Equipment and other infrastructure facilities to Govt. hospitals. Safe Drinking Water facilities with bore well, filtration in public areas, community centers etc. Construction of toilets in schools/public places. Construction/ Installation of Water Supply Lines in villages/schools, Mitigation for COVID-19 Pandemic, Support to Govt. of Manipur for air lifting of medical equipments/PPE etc.	Health & Sanitation (including Swachh Bharat Abhiyan and Swachh Vidyalaya Abhiyaan)	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt-Reasi, Baramulla, Kishtwar, Bandipora and Kathua in Jammu & Kashmir, Leh (Ladakh), Kargil in Ladakh UT, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-South Sikkim & East Sikkim (Sikkim) in Sikkim, Distt- Churachandpur (Manipur), Distt-Pithoragarh & Champawat in Uttarakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Itanagar and Dibang Valley in Arunachal Pradesh, Distt. Faridabad and Mewat in Haryana, Distt. Meerut & Muzzafarnagar in Uttar Pradesh. Mitigation support for COVID-19 evenly across all locations of NHPC.	4808	4808	4808	Direct

Sr No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the projects or programs (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implemen-ting agency
3.	Construction of Path Ways, Foot Bridges, Concrete Paths. Construction & Renovation of community halls. Construction of cremation sheds. Construction of Drains, Rain Shelters and Waiting sheds. Arrangement of drinking water supply in villages. Improvement in Solid Waste Management Other infrastructure and community development activities as per local needs. Special education for unemployed youth, marginal farmers, women and physically challenged.	Rural Develop-ment	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt- Reasi, Baramulla, Bandipora and Kathua in Jammu & Kashmir, Leh (Ladakh), Kargil in Ladakh UT, Distt-Kullu, Chamba, Shimla and Mandi in Himachal Pradesh, Distt-South Sikkim, East Sikkim in Sikkim Distt- Churachandpur, Ningthoukhong, (Manipur), Distt-Pithoragarh in Uttarakhand, Distt-Darjeeling Jalpaiguri in West Bengal, Distt-Itanagar and Dibang Valley in Arunachal Pradesh, Distt. Basti, Akbarpur, Kanpur in Uttar Pradesh, Distt. Ahmednagar in Maharashtra and Distt. Bhojpur in Bihar.	900	900	900	Direct
4	Plantation of trees & development of Herbal parks. Installation of Solar Street Light. Contribution to Clean Ganga Fund for cleaning & rejuvenation of river Ganga	Environ-mental Sustaina-bility	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt-Bandipora, Kathua, Kishtwar in Jammu & Kashmir (UT), Distt-Kangra & Shimla in Himachal Pradesh, Distt-Darjeeling in West Bengal, Mangan Distt.-North Sikkim in Sikkim, Ara in Bihar, Distt-Faridabad in Haryana, Distt. Kanpur, Bijnor & Mirjapur in Uttar Pradesh and Distt. Bikaner in Rajasthan.	331	331	331	Direct
5.	Skill Development Programs for Women Empowerment. Distribution of sewing machines to women. Renovation of only women market & Aganwadi Centre. Setting of sanitary pad manufacturing Units.	Women Empower-ment	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt-Baramulla & Kishtwar in Jammu & Kashmir (UT), Distt-East Sikkim (Sikkim) and Distt. Mewat and Hathin in Haryana.	36	36	36	Direct

Sr No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the projects or programs (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implemen-ting agency
6.	Impact assessment/ Evaluation Study Training to promote Rural Sports. Protection of art and culture. Contribution of Ex-Armed Forces and Administrative expenses.	Capacity building, sports, art & culture and other activities.	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt- Reasi, Kishtwar and Bandipora in Jammu & Kashmir, Distt.- Chamba and Mandi in Himachal Pradesh, Distt-Pithoragarh in Uttarakhand, Distt- Dhemaji (Assam), and Distt. Dibang Valley in Arunachal Pradesh.	773	773	773	Direct
Total				**12644**	**12644**	**12644**	

6. **In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:**

   Your Company has spent all of the allocated CSR fund of ₹ 126.44 crore and no unspent amount remains for carryover.

7. **Responsibility statement of the CSR Committee:**

   The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

Sd/-
(A. K. Singh)
Chairman & Managing Director
NHPC Limited
DIN 08646003

Sd/-
(Bhagwat Prasad)
Independent Director & Chairman
Committee of Directors on CSR & Sustainability
NHPC Limited
DIN 07941795

Date: July 21, 2020

Annexure-VII

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L40101HR1975GOI032564
Registration Date	7th November, 1975
Name of the Company	NHPC Limited
Category/Sub-Category of the Company	Public Company/Government Company/Limited by Shares
Address of the Registered office and contact details	NHPC Office Complex, Sector- 33, Faridabad, Haryana – 121 003 Tel. No. 0129-2588110/2588500 Fax. No. 0129- 2278 018 E-mail: companysecretary@nhpc.nic.in Website: www.nhpcindia.com
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	1. For Equity Shares and Tax-free Bonds KFin Technologies Private Limited, Selenium Tower- B, Plot No. 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel: 040 6716 2222 Fax: 040 2300 1153 Toll Free No:1800 345 4001 E-mail: einward.ris@kfintech.com Website: www.kfintech.com 2. For other Bonds RCMC Share Registry Private Limited B-25/1 , First Floor, Okhla Phase-II New Delhi-110 020 Tel: 011-26387320 E-mail: info@rcmcdelhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:

S.No.	Name and description of main products/services	NIC Code of the Product/service*	% to total turn over of the Company#
1	Energy (Hydro Power) Electric power generation by Hydroelectric Power Plants	35101	95.03

* As per classification under National Industrial Classification, Central Statistical Organization, Ministry of Statistics and Programme Implementation, Govt. of India

On the basis of Gross Turnover

III. PARTICULARS OF SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN	Subsidiary/ Associate	% of shares held	Applicable Section
1.	NHDC Limited NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal-462013, Madhya Pradesh	U31200MP2000GOI014337	Subsidiary	51.08	2(87)
2.	Loktak Downstream Hydroelectric Corporation Limited Loktak Power Station, NHPC Limited, P. O. Loktak, Kom Keirap - 795114, Manipur	U40101MN2009GOI008249	Subsidiary	73.17	2(87)
3.	Bundelkhand Saur Urja Limited TC-43/V, Vibhuti khand, Gomti Nagar, Lucknow - 226010, Uttar Pradesh	U40300UP2015GOI068632	Subsidiary	99.99	2(87)
4.	Lanco Teesta Hydro Power Limited, 1-7-37/1, NMDC Quarters, Quarters No. Type IV-1, Opp. Ramanthapur Church, Street No.8, Ramanthapur, Hyderabad- 500013, Telangana	U40109TG2000PLC034758	Subsidiary	100	2(87)
5.	Chenab Valley Power Projects Private Limited, Chenab Jal Shakti Bhavan, Opposite Saraswati Dham, Rail Head Complex, Jammu - 180012, UT of Jammu & Kashmir	U40105JK2011PTC003321	Associate (Joint Venture)	49.89	2(6)
6.	National High Power Test Laboratory Private Limited, NHPTL, Powergrid Complex, 765/400 K. V. Substation, Khimlasa Road, Bina, Sagar - 470113, Madhya Pradesh	U73100MP2009PTC047744	Associate (Joint Venture)	20	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Share-holders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	7365964993	0	7365964993	73.33	7126772676	0	7126772676	70.95	(2.38)
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0

Category of Share-holders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
e) Banks/FIs	0	0	0	0	0	0	0	0	0
f) Others	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)	**7365964993**	**0**	**7365964993**	**73.33**	**7126772676**	**0**	**7126772676**	**70.95**	**(2.38)**
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FIs	0	0	0	0	0	0	0	0	0
e) Others	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**7365964993**	**0**	**7365964993**	**73.33**	**7126772676**	**0**	**7126772676**	**70.95**	**(2.38)**
B. Public Shareholding									
1. Institutions									
a) Mutual funds/UTI	321471603	0	321471603	3.20	586717209	0	586717209	5.84	2.64
b) Banks/FIs	65101540	0	65101540	0.65	63709606	0	63709606	0.63	(0.02)
c) Central Govt./State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	777695996	0	777695996	7.74	771748175	0	771748175	7.69	(0.05)
f) FIIs	491665365	0	491665365	4.89	470342884	0	470342884	4.68	(0.21)
g) Foreign Venture Capital funds	0	0	0	0.00	0	0	0	0.00	0.00
h) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	**1655934504**	**0**	**1655934504**	**16.48**	**1892517874**	**0**	**1892517874**	**18.84**	**2.36**
2. Non Institutions									
a) Bodies Corporate	463978931	0	463978931	4.62	452106009	0	452106009	4.50	(0.12)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	407257061	95067	407352128	4.06	394777481	81352	394858833	3.93	(0.13)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	131512320	0	131512320	1.31	142619046	0	142619046	1.42	0.11
c) Others									
(i) Clearing Members	3471589	0	3471589	0.03	7736531	0	7736531	0.08	0.05
(ii) Non Resident Indians	8807589	7575	8815164	0.09	9064332	7575	9071907	0.09	0.00
(iii) Non Resident Indians-Non-repatriable	4081989	0	4081989	0.04	5648619	0	5648619	0.06	0.02

Category of Share-holders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(iv) Foreign Nationals	500	0	500	0.00	500	0	500	0.00	0.00
(v) Overseas Corporate Bodies	175	0	175	0.00	175	0	175	0.00	0.00
(vi) Trusts	1840819	0	1840819	0.02	2697489	0	2697489	0.03	0.01
(vii) Non-banking Financial Institutions	453831	0	453831	0.00	302020	0	302020	0.00	0.00
(viii) IEPF	1627862	0	1627862	0.02	2428917	0	2428917	0.02	0.00
(ix) Qualified Institutional Buyer	0	0	0	0.00	8274209	0	8274209	0.08	0.08
Sub-total (B)(2)	**1023032666**	**102642**	**1023135308**	**10.19**	**1025655328**	**88927**	**1025744255**	**10.21**	**0.02**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2678967170**	**102642**	**2679069812**	**26.67**	**2918173202**	**88927**	**2918262129**	**29.05**	**2.38**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**10044932163**	**102642**	**10045034805**	**100**	**10044945878**	**88927**	**10045034805**	**100**	**0.00**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	President of India	7365964993	73.33	0.00	7126772676	70.95	0.00	(2.38)
	Total	**7365964993**	**73.33**	**0.00**	**7126772676**	**70.95**	**0.00**	**(2.38)**

(iii) Change in Promoters' Shareholding

S. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2019)		Transaction during the year			Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company	Date	Increase/ (Decrease)	Reason	No. of shares	% of total shares of the Company
1.	At the beginning of the year	7365964993	73.33				7365964993	73.33
2	Date wise Increase/ Decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease			10.10.2019	(22034198)	Transfer to Bharat 22 ETF	7343930795	73.11
				03.02.2020	(217158119)	Transfer to CPSE ETF	7126772676	70.95
3.	At the end of the year	7126772676	70.95				7126772676	70.95

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**LIFE INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	734379599	7.31	734379599	7.31
	Bought during the year	2252348	0.02	736631947	7.33
	Sold during the year	0	0.00	736631947	7.33
	At the end of the year	736631947	7.33	736631947	7.33
2	**POWER FINANCE CORPORATION LIMITED**				
	At the beginning of the year	244473240	2.43	244473240	2.43
	Bought during the year	0	0.00	244473240	2.43
	Sold during the year	10000000	0.10	234473240	2.33
	At the end of the year	234473240	2.33	234473240	2.33
3	**CPSE EXCHANGE TRADED SCHEME (CPSE ETF)**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	341357419	3.40	341357419	3.40
	Sold during the year	148412676	1.48	192944743	1.92
	At the end of the year	192944743	1.92	192944743	1.92
4	**REC LIMITED**				
	At the beginning of the year	175302206	1.75	175302206	1.75
	Bought during the year	0	0.00	175302206	1.75
	Sold during the year	0	0.00	175302206	1.75
	At the end of the year	175302206	1.75	175302206	1.75
5	**HDFC TRUSTEE COMPANY LIMITED – HDFC BALANCED ADVANTAGE FUND**				
	At the beginning of the year	82953520	0.83	82953520	0.83
	Bought during the year	54906994	0.54	137860514	1.37
	Sold during the year	0	0.00	137860514	1.37
	At the end of the year	137860514	1.37	137860514	1.37
6	**EDGBASTON ASIAN EQUITY TRUST**				
	At the beginning of the year	56455779	0.56	56455779	0.56
	Bought during the year	22554934	0.22	79010713	0.78
	Sold during the year	10359208	0.10	68651505	0.68
	At the end of the year	68651505	0.68	68651505	0.68
7	**HDFC TRUSTEE COMPANY LIMITED- HDFC TAX SAVER FUND**				
	At the beginning of the year	60641557	0.60	60641557	0.60
	Bought during the year	0	0.00	60641557	0.60
	Sold during the year	219000	0.00	60422557	0.60
	At the end of the year	60422557	0.60	60422557	0.60

S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**				
	At the beginning of the year	35556270	0.35	35556270	0.35
	Bought during the year	6701950	0.07	42258220	0.42
	Sold during the year	931766	0.01	41326454	0.41
	At the end of the year	41326454	0.41	41326454	0.41
9	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGAURD INTERNATIONAL EQUITY INDEX FUND**				
	At the beginning of the year	36609129	0.36	36609129	0.36
	Bought during the year	143655	0.00	36752784	0.36
	Sold during the year	281927	0.00	36470857	0.36
	At the end of the year	36470857	0.36	36470857	0.36
10	**UCO BANK**				
	At the beginning of the year	30350000	0.30	30350000	0.30
	Bought during the year	0	0.00	30350000	0.30
	Sold during the year	0	0.00	30350000	0.30
	At the end of the year	30350000	0.30	30350000	0.30

Notes: (1) Top 10 shareholders as on 31.03.2020 have been indicated.

(2) The shares of the Company are traded on a daily basis and hence, the date wise increase/decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2019 to 31.03.2020)*	
		No.of shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2020)*	% of total shares of the Company				No.of shares	% of total shares of the Company
A	**DIRECTORS**							
1.	Shri Abhay Kumar Singh, Chairman & Managing Director (became CMD on 24.02.2020)	16,425	Negligible	Nil movement during the period			16,425	Negligible
2.	Shri Ratish Kumar, Director (Projects)	15,986	Negligible	Nil movement during the period			15,986	Negligible
3.	Shri Nikhil Kumar Jain Director (Personnel)	NIL	NA	Nil movement during the period			NIL	NA
4.	Shri Mahesh Kumar Mittal Director (Finance) & CFO	NIL	NA	Nil movement during the period			NIL	NA

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2019 to 31.03.2020)*	
		No.of shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2020)*	% of total shares of the Company				No.of shares	% of total shares of the Company
5.	Shri Janardan Choudhary Director (Technical) (ceased to be Director on 31.03.2020)	21,055	Negligible	Bought 1 share on 25.10.2019			21,056	Negligible
6.	Shri Aniruddha Kumar, Govt. Nominee Director	1500	Negligible	Nil movement during the period			1500	Negligible
7.	Shri Jugal Kishore Mohapatra, Independent Director	NIL	NA	Nil movement during the period			NIL	NA
8.	Shri Bhagwat Prasad, Independent Director	NIL	NA	Nil movement during the period			NIL	NA
9.	Shri Satya Prakash Mangal, Independent Director (ceased to be Director on 17.11.2019)	15,000	Negligible	Nil movement during the period			15,000	Negligible
10.	Prof. Arun Kumar, Independent Director (ceased to be Director on 17.11.2019)	NIL	NA	Nil movement during the period			NIL	NA
11.	Prof. Kanika T. Bhal, Independent Director (ceased to be Director on 17.11.2019)	NIL	NA	Nil movement during the period			NIL	NA
12.	Shri Balraj Joshi, Ex-Chairman & Managing Director (ceased to be CMD on 31.12.2019)	11,891	Negligible	Nil movement during the period			11,891	Negligible
B	**Key Managerial Personnel**							
1.	Shri Vijay Gupta, Company Secretary	11,231	Negligible	Bought 5000 shares on 17.03.2020			16,231	Negligible

*The shareholding of Directors appointed/ceased during the year are shown at the date of their appointment/cessation, as the case may be.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crore)

Particulars	Secured Loans excluding deposits*	Unsecured Loans**	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2019)				
i) Principal Amount	14261.04	4794.72	0.00	19055.76

Particulars	Secured Loans excluding deposits*	Unsecured Loans**	Deposits	Total Indebtedness
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	519.84	65.14	0.00	584.98
Total(i+ii+iii)	**14780.88**	**4859.86**	**0.00**	**19640.74**
Change in Indebtedness during the financial year				
Addition	8239.07	2772.36	0.00	11011.43
Reduction	(5514.21)	(1411.12)	0.00	(6925.33)
Net Change	**2724.86**	**1361.24**	**0.00**	**4086.10**
Indebtedness at the end of the financial year (31.03.2020)				
i) Principal Amount	16985.90	6155.96	0.00	23141.86
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due***	561.22	81.88	0.00	643.10
Total (i+ii+iii)	**17547.12**	**6237.84**	**0.00**	**23784.96**

*Secured loans include Domestic Term Loans, Bonds and short term loans.
**Unsecured loan includes foreign loans, domestic short term loans and subordinate debts. Value of subordinate debt has been taken as per Ind AS.
***Interest accrued but not due (unsecured) includes hedging premium accrued but not due on Foreign Currency Term Loan from MUFG.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD) and Whole-time Directors (WTD)

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD						Total Amount
		Shri A. K. Singh, CMD (became CMD on 24.02.2020)	Shri Balraj Joshi, Ex-CMD (ceased to be CMD on 31.12.2019)	Shri Ratish Kumar, Director (Projects)	Shri Nikhil Kumar Jain, Director (Personnel)	Shri Mahesh Kumar Mittal, Director (Finance) & CFO	Shri Janardan Choudhary (ceased to be Director on 31.03.2020)	
1	**Gross salary**							
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961*	775398	5866983	8659184	5734644	7052574	6280687	34369470
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	2410850	264090	752142	346823	1094438	4868343
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	Others**	131718	4860366	894646	1706213	647615	1280672	9521230
	Total (A)	**907116**	**13138199**	**9817920**	**8192999**	**8047012**	**8655797**	**48759043**

Ceiling as per the Act	Not Applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015)

*Salary under Section 17(1) of the Income Tax Act, 1961 includes arrears and Performance Related Pay (PRP) as per respective position held by the directors during that period.

**Others include gratuity, leave encashment, lease rent, new year gift, medical reimbursement, EPF, Social Security Scheme & Pension Fund (Matching Contribution) etc. which were not included in point no. (1).

Note: (1) During the year, amount of ₹ 19,42,253 and ₹ 1,48,430 was paid to Shri K. M. Singh, Ex-CMD and Shri D. P. Bhargava, Ex-Director (Technical) respectively for their dues related to earlier year(s).

B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	**Independent Directors**	**Shri Satya Prakash Mangal (ceased to be director on 17.11.2019)**	**Prof. Arun Kumar (ceased to be director on 17.11.2019)**	**Prof. Kanika T. Bhal (ceased to be director on 17.11.2019)**	**Shri Jugal Kishore Mohapatra**	**Shri Bhagwat Prasad**	
	Fee for attending board/ committee meetings	280000	380000	260000	300000	460000	1680000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	**280000**	**380000**	**260000**	**300000**	**460000**	**1680000**
2	**Nominee Directors**	**Shri Aniruddha Kumar**					**Total Amount**
	Fee for attending board/ committee meetings	NIL					NIL
	Commission	NIL					NIL
	Others	NIL					NIL
	Total (2)	**NIL**					**NIL**
	Total (B)=(1+2)						**1680000**
	Total Managerial Remuneration*						**50439043**
	Overall Ceiling as per the Act	Not Applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015)					

*Total remuneration to Managing Director, Whole-time Directors and other Directors (being the total of A and B)

C. Remuneration to Key Managerial Personnel other than Managing Director and Whole Time Directors

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO*	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961**	-	5480364	-	5480364
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	223912	-	223912
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	NIL	-	-

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO*	Total
2	Stock Option	-	NIL	-	-
3	Sweat Equity	-	NIL	-	-
4	Commission	-	NIL	-	-
5	Others***	-	1106172	-	1106172
Total			**6810448**		**6810448**

*The post of CEO and CFO is being held by Chairman & Managing Director and Director (Finance) of the Company respectively.

**Amount includes arrears and Performance Related Pay (PRP).

***Others include new year gift, medical reimbursement, EPF, Social Security Scheme & Pension Fund (Matching Contribution) etc. which were not included in point no. (1).

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			**NIL**		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			**NIL**		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**NIL**		
Compounding					

For and on behalf of the Board of Directors

(Abhay Kumar Singh)
Chairman and Managing Director
DIN 08646003

Date: August 27, 2020

Place: Faridabad

Annexure-VIII

DIVIDEND DISTRIBUTION POLICY

1.0 Background:

SEBI vide its notification dated 08.07.2016 has inserted regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the following:

1. The top five hundred listed entities based on market capitalisation (calculated as on 31st March of every Financial Year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.
2. The dividend distribution policy shall include the following parameters:
   a. the circumstances under which the shareholders of the listed entities may or may not expect dividend.
   b. the financial parameters that shall be considered while declaring dividend;
   c. internal and external factors that shall be considered for declaration of dividend;
   d. policy as to how the retained earnings shall be utilized; and
   e. Parameters that shall be adopted with regard to various classes of shares.

Keeping in view the above parameters, the Dividend Distribution Policy of the Company has been framed.

2.0 This Policy shall be known as NHPC Dividend Distribution Policy (the "Policy").

3.0 The Policy shall be effective from the date of its adoption by the Board i.e. 30.05.2017

4.0 Policy Outline:

The basis of the policy framework is largely in line with the provisions of the Companies Act, guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises, SEBI (LODR) Regulation 2015 and other guidelines, to the extent applicable in context with payment of dividend. The Policy shows the intent of the Company to share a portion of its profits to the owners of the Company.

5.0 Important terms:

- Dividend: Profit of a Company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid–up on the shares held by them. In simple terms it refers to return on investment that shareholders get from the company's net profits.
- Net Worth: Aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium amount.
- Profit After Tax (PAT): The net amount earned by a business after all taxation related expenses have been deducted.
- Retained Profit: Profit generated by a business that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives (such as to pay off a debt or purchase a capital asset).
- Dividend Payout ratio: Percentage of business earning paid as dividends to shareholders. It indicates how well the firm's earning support dividend payments. Lower this percentage, more secure the dividend payment. Considering guideline of DIPAM on Dividend, NHPC has to pay dividend of 5% of the net worth of the Company and accordingly the dividend pay-out ratio will remain approximately in the range of 60%-80% of the net profit (PAT).
- Dividend Yield: A financial ratio that indicates how much a Company pays out in dividends each year relative to its share price.
- Price Earnings (PE) ratio: It shows what the market is willing to pay for a stock based on its current earnings.
- Price to Book (PB) ratio: This ratio is used to compare a stock's market value to its book value.
- Market Capitalization: It means aggregate valuation of the company based on market price & total outstanding shares.

6.0 The Policy shall not apply to:

- Dividend on preference shares, if any to be issued by the Company;

- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

7.0 Objectives of the Policy:

The Dividend Policy has been framed keeping in mind the following objectives:

- Fundamental Value of Company: Dividend Distribution Policy has significant impact on the value of Company. The policy aims at increasing the Company's fundamental value by ensuring sustainable dividend payout ratio with due consideration of the requirement of the retained earnings.
- Growth Plan: Dividend Distribution policy is a financing decision and leads to cash outflows and also leads to decrease in availability of cash for financing of profitable projects. If sufficient funds are not available, a firm has to depend on external financing. Therefore the dividend policy needs to be devised in such a manner that prospective projects may be financed through appropriate mix of debt and retained earnings.
- Stable Rate of Return: Fluctuation in the rate of return adversely affects the market price of shares. Therefore the dividend policy aims at ensuring consistent dividend payout trend in future until the company is constrained to declare dividend due to any of the internal or external factors.

8.0 Circumstances under which the shareholders of the Company may or may not expect dividend:

The dividend distribution policy of the Company is adopted by the Board of Directors and regulates the balance between the net profit of the Company and the profit of the Company which is distributed as dividends. Dividend is a portion of net profits of the company distributed among the shareholders as per prevailing applicable laws & guidelines. Dividend is declared at the Annual General Meeting of the shareholders based on the recommendation by the Board. The Board may recommend dividends, considering relevant law and other factors into consideration, to be paid to the members. The Board may also declare interim dividends.

Factors that may be considered by the Board before making any recommendations for the dividend include, but are not limited to, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines issued by Government in this regard. These factors need to be considered while deciding dividend payout.

9.0 Financial Parameters that shall be considered while declaring dividend:

As per DIPAM Guideline on Capital Restructuring of Central Public Sector Enterprises (CPSE's) issued by DIPAM, Govt. of India on 27.05.2016, every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions. Nonetheless, CPSEs are expected to pay the maximum dividend permissible under the Act under which a CPSE has been set up, unless lower dividend proposed to be paid is justified after the analysis of the following aspects on a case to case basis at the level of Administrative Ministry/ Department.

(i) Net-Worth of the CPSE and its Capacity to borrow;

(ii) Long-term borrowings;

(iii) CAPEX/ Business Expansion needs;

(iv) Retention of profit for further leveraging in line with the CAPEX needs; and

(v) Cash and bank balance.

9.1 Dividend Policy:

Dividend for the financial year shall be decided by the Board of Directors considering various statutory requirements, financial performance of the Company and other internal and external factors enumerated in the policy. However, broadly the dividend payment by NHPC shall be in line with the ibid DIPAM guidelines i.e. 30% of PAT or 5% of net-worth, whichever is higher.

9.2 Manner and timelines for Dividend Payout:

(a) Interim dividend(s):

I. Interim dividend(s), if any, shall be declared by the Board of Directors. Normally, interim dividend is declared in the third/ fourth quarter of the relevant financial year.

II. The payment of interim dividend, if declared, shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

(b) Final dividend:

I. Recommendation for final dividend, if any, shall be done by the Board of Directors and shall be subject to approval of the shareholders of the Company in Annual General Meeting.

II. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/ book closure period as per the applicable law.

III. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

10.0 Internal and External factors that shall be considered for declaration of dividend:

Internal factors includes CAPEX plan and free cash available to the Company. External factors include economic conditions, Regulatory norms applicable to the Company, applicable statutory provisions & the guidelines issued by the Govt. of India or other statutory bodies from time to time. These factors will be considered while deciding the quantum of dividend.

11.0 Manner of Utilisation of Retained Earnings:

The retained earnings is utilised primarily for the growth prospect of the company for the maximisation of the shareholder's fund. The company shall take following factors into consideration for the utilisation of the retained earnings:

i. Short term and long term plans of the Company.

ii. Diversification opportunities.

iii. Government guidelines with regard to issue of bonus, buy-back etc.

iv. Any other criteria which the Board of Directors may consider appropriate.

12.0 Parameters to be adopted with regard to various classes of shares:

The decision to pay (declare) dividends is taken by the Board of Directors/ shareholders at the AGM of the Company. Under this decision, the size of dividends per shares of each category (type) is determined. Since the Company has only one class of equity share with equal voting right, all the members of the Company are entitled for the same amount of dividend per share.

13.0 Other Provisions:

The Policy needs to be approved by the Board of Directors of the Company and the Board of Directors have right to carry out any changes in the policy. The policy will be reviewed every three years or as Company's Board of Directors may deem fit from time to time.

If as a result of changes to the laws of the land, any individual clause of this policy contradicts such change, the policy shall be applied in the part that does not contradict the law in force.

In case, the quantum of dividend so declared happens to be less than Rs. 0.50 to a shareholder then the shareholder will get minimum dividend of Rs. 1. Further, the payment of dividend is subject to rounding off the amount of dividend in terms of Companies (Central Governments) General Rules & Forms Amendment Rules, 2014.

14.0 Informing the Shareholders of Dividend Distribution Policy:

Dividend Distribution Policy to be made available in the annual report of the company & to be disclosed on the website of the Company also.

Annexure- IX

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

{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 and
Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure
Requirements) Regulations, 2015}

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 period ended on 31st March, 2020 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, 2020 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) Regulation, 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 (Depositories and Participants) Regulations, 2018; and

   (i) 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:

Sl. No.	Qualification/ Observation	Management Reply
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 a Independent Woman Director and Women Director for the period from 18.11.2019 to 31.03.2020.	As per Article 34 of the Articles of Association of the Company read with Ministry of Corporate Affairs notification dated 5th June 2015, the Independent Directors on the Board of the Company are appointed by the President of India. The matter regarding appointment of Independent Directors including Woman Director is being regularly pursued with the Administrative Ministry i.e. Ministry of Power.
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 period from 18.11.2019 to 31.03.2020 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 period from 18.11.2019 to 31.03.2020.	
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 and as per Clause 3.1.4 of DPE Guidelines during the Financial Year 2019-20 and as per the Section 149(4) of the Companies Act, 2013 for the period from 18.11.2019 to 31.03.2020.	
4.	Regulation 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors had not reviewed: (a) the performance of non-independent directors and the board of directors as a whole; (b) the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.	Independent Directors in their separate meeting held in June, 2019 noted the requirements of Regulation 25(4) of SEBI LODR. The Independent Directors after discussions were of the view that the performance of non-independent directors including Chairman and Managing Director is being evaluated by Administrative Ministry i.e. Ministry of Power. Accordingly, the same need not to be done by the Independent Directors.
5.	Regulation 19(4) read with Schedule II Part D(A) of SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee should formulate the criteria for determining qualifications, positive attributes and independence of a director.	As stated above, the Independent Directors on the Board of the Company are appointed by the President of India

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 for the financial year 2019-20. 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.

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 Regulation 23(2) of SEBI (LODR) 2015 provides for all related party transactions shall require prior approval of the audit committee. Audit Committee accorded its ex-post facto approval on 07.02.2020 to agreement executed on 14.01.2020 between NHPC Limited and Lanco Teesta Hydro Power Limited (LTHPL) for providing consultancy services to LTHPL by NHPC.

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-compliance with Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted waiver requests.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

Sd/-
CS Sachin Agarwal

Place: New Delhi — Partner
Date: June 24, 2020 — FCS No.: 5774
UDIN: F005774B000374736 — CP No.: 5910

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.

"Annexure - A"

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.

For **Agarwal S. & Associates**
Company Secretaries
ICSI Unique Code: P2003DE049100

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

Place: New Delhi
Date: June 24, 2020

Annexure- X

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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,

I 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 Government of India Enterprise. 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, I hereby report that in our opinion, subject to what is stated in the Financial Statement for 2019-20 and the Auditors report there on, the company has, during the period covering the financial year ended on **31st March 2020** (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:

I 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 2020 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 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 me, the company has complied with all applicable Central and State laws/ rules/ regulations as applicable to the company.

I 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 and/ or Ministry of Power, Government of India. 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 guidelines. 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 auditors of NHDC regarding SEBI circular dated 18.12.2019 about resignation of statutory auditors.

For **M. M. Chawla and Associates**
Company Secretaries

Sd/-
M. M. Chawla
Proprietor
FCS – 67
CP. No. 716
PR: 552/2017
UDIN: F000067B000408464

Place: Bhopal
Date: July 02, 2020

Annexure - XI

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, 2020, 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, 2020, 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 Balances and accruals of revenue pending tariff Notifications.** Regulatory Deferral Account balances include accruals aggregating to Rs. 3470.59 Crore on account of interest cost and other attributable expenses pertaining to Subansiri Lower HE 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). 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. Regulatory Deferral Accounts are based on the estimates with respect to recoverability thereof	**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:** • 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. • 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. • The above includes the evaluation of the CERC guidelines and acceptance of the claim made by

	Key audit Matters	Addressing the Key Audit Matters
	as per the current CERC Tariff Regulations on final approval and notifications. The accruals made as above are 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 Project.	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. • 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.
2.	**Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)** Certain Cash Generating Units (CGUs) of the company were assessed for impairment as on 31st March 2020. This covers Property, Plant and Equipments and Capital Work in Progress in respect of projects 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 FY 2019-20. Based on the above assessment, no provision for impairment has been considered necessary by the Company. Impairment exercise undertaken which justifies the carrying amount of certain assets including Capital work in progress pertaining to Subansiri Lower Project and the regulatory deferral account balances pertaining to same as dealt with under para 1 above, is significant and vital to the Company's operations. 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.	**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:** • Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 38; • 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: - Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances; - Price assumptions and tariff used in the models; - Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate. - The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use. • 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. • Reliance have 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))** Various claims lodged by the Contractors against Capital Works amounting to Rs. 10144.10 crore have been disclosed under Contingent Liability. This includes matters under arbitration and/ or before the Court which have been decided	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:** • Obtained the status of the case from the legal department and their view on the matter;

	Key audit Matters	Addressing the Key Audit Matters
	against the Company, out of which Rs. 2020.81 crore have been paid/deposited pursuant to the NITI Aayog directions or Court order. Claims made against the Company are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof and provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability.	• 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; • Discussion with management and reading/ reviewing the correspondences Memos and Notes on related matters. • Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom pending final judgement/ decisions; • 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".
4.	**Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage upto 31.03.2020** Expenditure of Rs. 1141.05 Crores as given in Note 2.2.2 has been incurred for conducting survey and investigation on projects. Out of this Rs. 820.78Crores (including Rs. 154.73 Crores during the year) have been provided for keeping in view uncertainty with respect to clearances, approval for implementing the Projects, leaving Rs. 320.27 Crores which has been carried forward as Capital Work in Progress. Further Capital work in progress also includes projects where active construction activities are yet to be undertaken. 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:** • Obtained the status of the Projects as provided by the management and the reason thereof of keeping them in abeyance. • Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred 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 and for project under preconstruction stage and allocation of Borrowing and other cost incurred and allocated thereagainst. • Evaluating the management's rationale with respect to possible abandonment of such projects in future and/ or expected economic use of the same. • Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for implementing the project given the location, size and nature in each case of the respective project and this being technical in nature placing reliance on management contention and representation on the matter.
5.	**Recognition of Deferred Tax and evaluation of utilisation thereof.** Deferred Tax with respect to MAT Credit entitlement of Rs.2196.82 Crores lying unutilized as on 31.03.2020 has not been recognised.	**Our audit procedures based on which we arrived at the conclusion regarding appropriateness of non recognitionof the unutilised MAT Credit include the following:** • Understanding and testing the operating effectiveness of the company's control relating to

Key audit Matters	Addressing the Key Audit Matters
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.	taxation and assessment of carrying amount of deferred tax assets/ liabilities. • 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. • 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. • 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. • 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 and period of applicability thereof. • 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 Board's Report including Annexures to Directors' Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance, 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.

Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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. 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.	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 received/ receivable for specific schemes from Central/ State 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 standalonefinancial 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 has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

   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

A K Aggarwal
Partner
M. No. 013833
Place: Ludhiana
Date: June 27, 2020
UDIN: 20013833AAAABK2824

For DSP & Associates

Chartered Accountants
Firm's ICAI Registration No.:006791N

Sanjay Jain
Partner
M. No. 084906
New Delhi

UDIN: 20084906AAAAPK1840

For Lodha & Co.

Chartered Accountants
Firm's ICAI Registration No.:301051E

R P Singh
Partner
M. No. 052438
Kolkata

UDIN: 20052438AAAABM2834

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 31.03.2020 (Rs. In Crore)	Net block as at 31.03.2020 (Rs. In Crore)
Freehold land	143.48	20.47	20.47
Leasehold Land included under Right of Use Assets	530.88	251.20	231.31
Building under Lease	0.0465	17.01	16.08

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. In our opinion and according to the information and explanations given to us, the frequency of such verification is 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 by the Management, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, except unsecured loan granted during the previous year to a Company.

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 in earlier year,the schedule of repayment of principal and Interest has been stipulated. The Company has during the year extended the repayment schedule of Unsecured loan of Rs. 6 Crores which was due for repayment during the year, and as such the repayment of Principal and repayment of interest is regular.

c) in respect of such loan as mentioned in Para (b) above, there is no overdue amount for more than ninety days.

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, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth 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, 2020 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, 2020, 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	0.001	2007-08	0	Traces
		0.01	2010-11	0	ITO, Srinagar
Sales Tax Acts/ Vat Acts	Sales Tax /Vat	9.92	2012-13	0	Appellate Tribunal
		22.31	2013-14 to 2014-15	0	Appellate Authority
		34.15	2015-16	0	Appeal to be filed.
		0.18	2009-10	0	DETC, Kullu
		16.69	2005-06 to 2011-12	15.29	Sr.Joint Commissioner Siliguri, Circle
		2.73	2012-13	0	JC,Siliguri Charge
		298.53	1994-95	0	J&K Sales Tax Appellate Tribunal
Finance Act, 1996	Service Tax	28.44	2009-10 to 2016-17	27.25	Service Tax Tribunal, Kolkata
		18.10	2004-05 to 2009-10	1.70	CESTAT, Chandigarh
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 and Term Loans during year.On the basis of our examination and according to the information and explanations given to us, money raised by way of debt instruments and term loans have been applied for the purpose for which the loans were obtained.

x) Based on our audit procedures and as per the information and explanations given to us by the management, no fraud by the Company or any fraud on the Company, by any person including its officers/ employees, has been noticed or reported during the year.

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

A K Aggarwal
Partner
M. No. 013833
Place: Ludhiana
Date: June 27, 2020
UDIN: 20013833AAAABK2824

For DSP & Associates
Chartered Accountants
Firm's ICAI Registration No.:006791N

Sanjay Jain
Partner
M. No. 084906
New Delhi

UDIN: 20084906AAAAPK1840

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

R P Singh
Partner
M. No. 052438
Kolkata

UDIN: 20052438AAAABM2834

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, 2020 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, 2020, 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.

For Arora Vohra & Co.
Chartered Accountants
Firm's ICAI Registration No.: 09487N

A K Aggarwal
Partner
M. No. 013833
Place: Ludhiana
Date: June 27, 2020
UDIN: 20013833AAAABK2824

For DSP & Associates
Chartered Accountants
Firm's ICAI Registration No.:006791N

Sanjay Jain
Partner
M. No. 084906
New Delhi

UDIN: 20084906AAAAPK1840

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

R P Singh
Partner
M. No. 052438
Kolkata

UDIN: 20052438AAAABM2834

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Crore)

PARTICULARS		Note No.	As at 31st March, 2020	As at 31st March, 2019
	ASSETS			
(1)	**NON-CURRENT ASSETS**			
a)	Property, Plant and Equipment	2.1	21,463.33	22,940.69
b)	Capital Work In Progress	2.2	16,097.65	14,898.11
c)	Right Of Use Assets	2.3	1,826.98	-
d)	Investment Property	2.4	4.49	4.49
e)	Intangible Assets	2.5	0.72	906.66
f)	**Financial Assets**			
	i) Investments	3.1	3,400.74	2,361.66
	ii) Trade Receivables	3.2	-	61.51
	iii) Loans	3.3	798.65	746.41
	iv) Others	3.4	3,435.91	3,467.16
g)	Non Current Tax Assets (Net)	4	138.90	131.95
h)	Other Non Current Assets	5	3,023.61	2,021.35
	TOTAL NON CURRENT ASSETS		**50,190.98**	**47,539.99**
(2)	**CURRENT ASSETS**			
a)	Inventories	6	118.24	117.14
b)	**Financial Assets**			
	i) Trade Receivables	7	3,818.34	2,623.09
	ii) Cash & Cash Equivalents	8	8.87	12.04
	iii) Bank balances other than Cash and Cash Equivalents	9	380.25	378.59
	iv) Loans	10	46.03	45.18
	v) Others	11	2,699.74	1,984.26
c)	Current Tax Assets (Net)	12	86.95	61.22
d)	Other Current Assets	13	427.90	355.25
	TOTAL CURRENT ASSETS		**7,586.32**	**5,576.77**
(3)	Regulatory Deferral Account Debit Balances	14	6,836.22	6,492.61
	TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES		**64,613.52**	**59,609.37**
EQUITY AND LIABILITIES				
(1)	**EQUITY**			
(a)	Equity Share Capital	15.1	10,045.03	10,045.03
(b)	Other Equity	15.2	19,938.78	19,169.70
	TOTAL EQUITY		**29,983.81**	**29,214.73**
(2)	**LIABILITIES**			
	NON-CURRENT LIABILITIES			
a)	**Financial Liabilities**			
	i) Borrowings	16.1	20,889.74	17,044.63
	ii) Other financial liabilities	16.2	2,059.23	2,058.64
b)	Provisions	17	27.66	26.82
c)	Deferred Tax Liabilities (Net)	18	3,641.19	3,610.63
d)	Other non-current Liabilities	19	2,082.65	1,824.98
	TOTAL NON CURRENT LIABILITIES		**28,700.47**	**24,565.70**

PARTICULARS		Note No.	As at 31st March, 2020	As at 31st March, 2019
(3)	**CURRENT LIABILITIES**			
a)	**Financial Liabilities**			
	i) Borrowings	20.1	714.31	406.00
	ii) Trade Payables	20.2		
	Total outstanding dues of micro enterprises and small enterprises		18.85	15.74
	Total outstanding dues of Creditors other than micro enterprises and small enterprises		285.41	164.44
	iii) Other financial liabilities	20.3	2,879.70	2,846.92
b)	Other Current Liabilities	21	802.81	1,066.47
c)	Provisions	22	1,228.16	1,329.37
d)	Current Tax Liabilities (Net)	23	-	-
	TOTAL CURRENT LIABILITIES		**5,929.24**	**5,828.94**
	TOTAL EQUITY AND LIABILITIES		**64,613.52**	**59,609.37**
	Accompanying notes to the Standalone Financial Statements	1-34		

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**ABHAY KUMAR SINGH** Chairman & Managing Director DIN 08646003

As per report of even date

For Arora Vohra & Co. Chartered Accountants FRN: 009487N	**For DSP & Associates** Chartered Accountants FRN: 006791N	**For Lodha & Co.** Chartered Accountants FRN: 301051E
(A. K. Aggarwal) Partner M. No. 013833	**(Sanjay Jain)** Partner M. No. 084906	**(R.P. Singh)** Partner M. No. 052438

Place: Faridabad
Date: 27th June, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
INCOME			
i) Revenue from Operations	24.1	8,735.41	8,161.18
ii) Other Income	24.2	1,036.18	924.78
TOTAL INCOME		**9,771.59**	**9,085.96**
EXPENSES			
i) Purchase of Power - Trading	25.1	234.13	12.68
ii) Generation Expenses	25.2	901.67	796.85
iii) Employee Benefits Expense	26	1,515.52	1,704.65
iv) Finance Costs	27	795.42	894.88
v) Depreciation and Amortization Expense	28	1,545.34	1,589.99
vi) Other Expenses	29	1,514.95	1,165.53
TOTAL EXPENSES		**6,507.03**	**6,164.58**
PROFIT BEFORE EXCEPTIONAL ITEMS, RATE REGULATED ACTIVITIES AND TAX		**3,264.56**	**2,921.38**
Exceptional items		-	-
PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX		**3,264.56**	**2,921.38**
Tax Expenses	30.1		
i) Current Tax		602.40	649.78
ii) Deferred Tax		(1.40)	464.45
Total Tax Expenses		**601.00**	**1,114.23**
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		**2,663.56**	**1,807.15**
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	343.61	823.40
PROFIT FOR THE YEAR (A)		**3,007.17**	**2,630.55**
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	1.15
Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations		8.14	(0.55)
Sub total (a)		**29.37**	**1.70**
(b) Investment in Equity Instruments		(42.09)	(16.48)
Sub total (b)		**(42.09)**	**(16.48)**
Total (i)=(a)+(b)		**(12.72)**	**(14.78)**

PARTICULARS	Note No.	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
(ii) Items that will be reclassified to profit or loss (Net of Tax)			
- Investment in Debt Instruments		12.10	2.37
Total (ii)		**12.10**	**2.37**
Other Comprehensive Income (B)=(i+ii)		**(0.62)**	**(12.41)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**3,006.55**	**2,618.14**
Earning per share (Basic and Diluted) **(Equity shares, face value of ₹ 10/- each)**	34 (12)		
Before movements in Regulatory Deferral Account Balances		2.65	1.77
After movements in Regulatory Deferral Account Balances		2.99	2.57
Accompanying notes to the Standalone Financial Statements	1-34		

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**ABHAY KUMAR SINGH** Chairman & Managing Director DIN 08646003

As per report of even date

For Arora Vohra & Co. Chartered Accountants FRN: 009487N	**For DSP & Associates** Chartered Accountants FRN: 006791N	**For Lodha & Co.** Chartered Accountants FRN: 301051E
(A. K. Aggarwal) Partner M. No. 013833	**(Sanjay Jain)** Partner M. No. 084906	**(R.P. Singh)** Partner M. No. 052438

Place: Faridabad
Date: 27th June, 2020

STATEMENT OF STANDALONE CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crore)

		For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax for the year including movements in Regulatory Deferral Account Balance		3608.17		3744.78
	Less: Movement in Regulatory Deferral Account Balances		343.61		823.40
	Profit before Tax		**3264.56**		**2921.38**
	ADD :				
	Depreciation and Amortisation	1545.34		1589.99	
	Finance Costs	795.42		894.88	
	Provisions (Net Loss)	155.17		107.10	
	Tariff Adjustment (loss)	-		45.47	
	Sales adjustment on account of Exchange Rate Variation	42.94		92.34	
	Loss/(Profit) on sale of assets/Claims written off	2.51		(1.20)	
			2541.38		2728.58
			5805.94		**5649.96**
	LESS :				
	Advance against Depreciation written back	44.72		60.72	
	Provisions (Net gain)	5.22		30.77	
	Dividend Income	489.97		282.47	
	Interest Income	162.16		165.61	
	Exchange rate variation	(50.15)		3.18	
	Fair Value Adjustments	(1.42)		(2.84)	
	Amortisation of Government Grants	29.95		24.20	
			680.45		564.11
	Cash flow from Operating Activities before Operating Assets and Liabilities adjustments and Taxes		**5125.49**		**5085.85**
	Changes in Operating Assets and Liabilities:				
	Inventories	(1.33)		(21.44)	
	Trade Receivables	(1778.85)		(2107.81)	
	Other Financial Assets, Loans and Advances	(75.91)		(876.83)	
	Other Financial Liabilities and Provisions	(160.87)		2038.89	
			(2016.96)		(967.19)
	Cash flow from operating activities before taxes		**3108.53**		**4118.66**
	Less : Taxes Paid		635.08		678.90
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**2473.45**		**3439.76**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	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**		(2708.71)		(1492.48)
	Sale of Assets		0.52		0.92
	Investment in Joint Venture		(140.45)		(100.00)
	Investment in Subsidiaries		(924.70)		-
	Dividend Income		489.97		282.47
	Interest Income		127.05		144.14
	NET CASH USED IN INVESTING ACTIVITIES (B)		**(3156.32)**		**(1164.95)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Buyback of Equity Shares (including Premium Payment)		-		(606.20)
	Dividend and Tax on Dividend Paid		(2237.47)		(1149.03)

	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Proceeds from Borrowings	5967.71	2578.00
Repayment of Borrowings	(1715.05)	(1877.16)
Interest and Finance Charges	(1332.22)	(1215.12)
Repayment of Lease Liability	(3.27)	-
NET CASH FROM/USED IN FINANCING ACTIVITIES (C)	**679.70**	**(2269.51)**
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(3.17)**	**5.30**
Cash and Cash Equivalents at the beginning of the year	12.04	6.74
Cash and Cash Equivalents at the close of the year	8.87	12.04

The above Statement of Cash Flows is prepared in accordance with the Indirect method prescribed in Ind AS 7 - "Statement of Cash Flows".

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, 2020	As at 31st March, 2019
Cash and Cash equivalents	8.87	12.04

2 Earmarked balances with banks amounting to ₹ 18.68 Crores as on 31.03.2019 included under Cash and Cash Equivalents has been reclassified to Bank Balances other than Cash and Cash Equivalents. Accordingly the Cash and Cash Equivalents as on 31.03.2019 has been changed from ₹ 30.72 Crore to ₹ 12.04 Crore.

3 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 462.90 Crore (Previous year ₹ 365.28 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC)

4 Amount of undrawn loan as on 31.03.2020 : ₹ 925.00 Crore (Previous Year ₹ 819.00 Crore).

5 Company has incurred ₹ 122.57 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2020 (Previous Year ₹ 16.72 Crore)

6 **Net debt reconciliation:-**

(₹ in crore)

	31-03-2020	31-03-2019
Cash and Cash Equivalents	8.87	12.04
Current Borrowings	(714.31)	(406.00)
Non current Borrowings	(23138.70)	(19234.76)
Lease Liability	(13.91)	-
Net Debt	**(23858.05)**	**(19628.72)**

(₹ in crore)

Particulars	Other assets	Liabilities from Financing Activities			Total
	Cash & Cash Equivalents	Non-current borrowings	Lease Liability	Current borrowings	
Net debt as at 31st March' 2018	**6.74**	**(18894.59)**	**-**	**(280.00)**	**(19167.85)**
Cash flows	5.30	(574.83)	-	(126.01)	(695.54)
Lease Liability	-	-	-	-	-
Foreign exchange adjustments	-	(22.69)	-	-	(22.69)
Interest expense	-	(1201.37)	-	(5.83)	(1207.20)
Interest paid	-	1188.87	-	5.84	1194.71
Fair value adjustments	-	269.85	-	-	269.85
Net debt as at 31st March' 2019	**12.04**	**(19234.76)**	**-**	**(406.00)**	**(19628.72)**

(₹ in crore)

Particulars	Other assets	Liabilities from Financing Activities			Total
	Cash & Cash Equivalents	Non-current borrowings	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)**

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

ABHAY KUMAR SINGH
Chairman & Managing Director
DIN 08646003

As per report of even date

For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N

(A. K. Aggarwal)
Partner
M. No. 013833

For DSP & Associates
Chartered Accountants
FRN: 006791N

(Sanjay Jain)
Partner
M. No. 084906

For Lodha & Co.
Chartered Accountants
FRN: 301051E

(R.P. Singh)
Partner
M. No. 052438

Place: Faridabad
Date: 27th June, 2020

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		
	Capital Redemption Bond	Securities Premium	Bond Redemption Reserve	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI	Total
Balance as at 1st April, 2019	**2,255.71**	**-**	**2,193.35**	**9,724.72**	**4,889.54**	**76.30**	**30.08**	**19,169.70**
Profit for the year	-	-	-	-	3,007.17	-	-	3,007.17
Other Comprehensive Income	-	-	-	-	29.37	(42.09)	12.10	(0.62)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**3,036.54**	**(42.09)**	**12.10**	**3,006.55**
Amount transferred from Bond Redemption Reserve	-	-	(244.97)	-	244.97	-	-	-
Transfer from Retained Earning								
Dividend	-	-	-	-	(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**	**34.21**	**42.18**	**19,938.78**

For and on behalf of the Board of Directors

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(R.P. Singh)
Partner
M. No. 052438

Place: Faridabad
Date: 27th June, 2020

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in Crore)
As at 1st April 2018	15.1	10,259.32
Changes in Equity Share Capital		(214.29)
As at 31st March 2019	15.1	10,045.03

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve and Surplus					Other Comprehensive Income		Total
	Capital Redemption Bond	Securities Premium	Bond Redemption Reserve	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI	
Balance as at 1st April, 2018	**2,041.42**	**242.81**	**2,129.55**	**10,088.11**	**3,470.12**	**92.78**	**27.71**	**18,092.50**
Profit for the year	-	-	-	-	2,630.55	-	-	2,630.55
Other Comprehensive Income	-	-	-	-	1.70	(16.48)	2.37	(12.41)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**2,632.25**	**(16.48)**	**2.37**	**2,618.14**
Utilization for Buy Back of Equity Shares	-	(242.81)	-	(142.90)	-	-	-	(385.71)
Utilization for expenditure on Buy Back of Equity Shares	-	-	-	(6.20)	-	-	-	(6.20)
Transfer to Retained Earning								
Amount transferred from Bond Redemption Reserve	-	-	(244.98)	-	244.98	-	-	-
Amount Transferred from General Reserve	214.29	-	-	(214.29)	-	-	-	-
Transfer from Retained Earning								
Dividend	-	-	-	-	(1,000.46)	-	-	(1,000.46)
Tax on Dividend	-	-	-	-	(148.57)	-	-	(148.57)
Transfer to Bond Redemption Reserve	-	-	308.78	-	(308.78)	-	-	-
Balance as at 31st March, 2019	**2,255.71**	**-**	**2,193.35**	**9,724.72**	**4,889.54**	**76.30**	**30.08**	**19,169.70**

For and on behalf of the Board of Directors

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Chartered Accountants
FRN: 301051E
(R.P. Singh)
Partner
M. No. 052438

Place: Faridabad
Date: 27th June, 2020

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 publicly traded on the National Stock Exchange of India and BSE Limited. 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 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 27th June 2020.

(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

(i) **Ind AS 116- Leases:** Ind AS 116 replaces Ind AS 17- Leases and sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. With effect from 1st April, 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach. Impact of adoption of the standard is disclosed in Note 34.

(ii) 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 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 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 plant 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 & machinery and computers & peripherals which are in accordance with 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. 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 judgment by management regarding probable outflow of economic resources. Such estimation can change following 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 & maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) andInd 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, changes in CERC tariff regulations beyond the current tariff period may affect the recoverability of such balances.

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 & Equipment is based on estimates & 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).

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 PPE 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 & 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 & 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 or disposal. 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

a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (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 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 & 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 revenue as and when incurred. Expenditure on development is capitalized only if the expenditure can be measuredreliably, the product or process is technically and commercially feasible, future economic benefitsare probable and the Company intends to & has sufficient resources to complete development andto 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 enterprise 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 Balance Sheet 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 & joint ventures, Trade Receivables, Advances 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

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 will either be recorded in the Statement of Profit and Loss or 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 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 finance income inthe 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 fairvalue. Equity instruments which are held for trading,if any, are classified at Fair Value Through Profit orLoss (FVTPL). For all other equity instruments, the Company classifies the same as 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 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 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 entity 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 IndAS 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, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. The amount of expected credit loss (or 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

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 obligation 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 & borrowings, trade and other payables.

a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus 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 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.

b) 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.

c) 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.

d) 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 & subsidiary companies, dividend from investments in equity, 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 for 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 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 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 lessthe 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 and in the Balance Sheet.

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 lifeof 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 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 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 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 suchasset 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 & 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 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

i) 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).

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

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 - 'Operating Segments'.

c) The Company has a single geographical segment as all its Power Stations are located within the Country.

23.0 Leases

Effective 1 April 2019, the Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in Note 34.

For contracts entered into, or changed, on or after 1 April 2019, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. 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.

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset.

Further, an arrangement conveyed a right to use the asset if facts and circumstances indicated that it was remote that one or more parties other than the purchaser will take more than an insignificant amount of the output or other utility that will be produced or generated by the asset during the term of the arrangement, and the price that the purchaser will pay for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

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 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.

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.

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.

Under Ind AS 17

In the comparative period, leases of property, plant and equipment, where the Company, as lessee, had substantially all the risks and rewards of ownership were classified as finance lease. Such finance leases were generally capitalised at the lease's inception at the fair value of the leased property which was equal the transaction price i.e. lump sum upfront payments.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases. Payments made under operating leases were charged to Statement of Profit and Loss over the period of lease.

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 plant is recognised asa Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts (including Advance Against Depreciation (AAD) recognised in accordance with CERC Tariff regulations 2004-09 upto 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.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 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.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

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 and liabilities are classified as non-current assets and 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. There is no such 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 01.04.2019	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 1458.55 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 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.

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 01.04.2019	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 Equipment	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
Computers	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. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Freehold	313.69	12.16	0.01	6.15	331.99	-	-	-	-	331.99	313.69
Land – Leasehold	327.41	0.02	-	(24.85)	302.58	35.28	11.65	(24.86)	22.07	280.51	292.13
Roads and Bridges	215.47	6.67	0.15	0.22	222.21	27.79	10.18	3.06	41.03	181.18	187.68
Buildings	2,019.62	331.94	0.74	0.88	2,351.70	259.33	94.26	0.67	354.26	1,997.44	1,760.29
Building-Under Lease	-	17.01	-	-	17.01	-	0.36	-	0.36	16.65	-
Railway Sidings	16.57	-	-	-	16.57	7.42	5.68	-	13.10	3.47	9.15
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	12,690.92	4,025.18	3.44	1.55	16,714.21	2,448.42	952.73	(0.63)	3,400.52	13,313.69	10,242.50
Generating Plant and Machinery	7,213.75	1,017.32	9.24	(1.04)	8,220.79	1,267.40	481.48	(1.97)	1,746.91	6,473.88	5,946.35
Plant and machinery - Sub-Station	49.49	2.04	0.01	(0.22)	51.30	9.22	2.43	(0.21)	11.44	39.86	40.27
Plant and machinery - Transmission Lines	68.93	1.61	-	0.17	70.71	12.69	4.59	0.17	17.45	53.26	56.24
Plant and machinery - Others	32.83	3.39	0.10	(0.11)	36.01	8.16	2.05	(0.10)	10.11	25.90	24.67
Construction Equipment	50.76	2.15	0.19	(0.19)	52.53	16.16	3.94	(0.20)	19.90	32.63	34.60
Water Supply System/Drainage and Sewerage	47.09	5.29	0.06	0.12	52.44	6.15	2.18	0.11	8.44	44.00	40.94
Electrical Installations	4.33	0.42	0.04	0.07	4.78	0.54	0.31	0.06	0.91	3.87	3.79
Vehicles	22.21	0.48	0.26	(0.04)	22.39	5.16	1.82	(0.10)	6.88	15.51	17.05
Aircraft/ Boats	0.89	1.04	0.01	-	1.92	0.18	0.14	-	0.32	1.60	0.71
Furniture and Fixtures	33.10	2.77	0.16	0.22	35.93	6.92	2.42	0.19	9.53	26.40	26.18
Computers	33.81	5.83	0.45	(0.12)	39.07	18.08	6.43	(0.36)	24.15	14.92	15.73
Communication Equipments	10.75	1.14	0.31	0.20	11.78	2.21	0.81	0.08	3.10	8.68	8.54
Office Equipments	34.34	4.05	0.43	0.28	38.24	7.73	3.04	0.15	10.92	27.32	26.61
Research and Development Equipment	0.72	-	-	-	0.72	0.24	0.08	-	0.32	0.40	0.48
Other Assets	52.39	9.19	0.23	0.10	61.45	9.89	4.01	0.04	13.94	47.51	42.50
Tangible Assets of Minor Value > Rs. 750 and < Rs.5000	3.20	1.17	0.04	0.26	4.59	3.19	1.14	0.24	4.57	0.02	0.01
TOTAL	**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**	**19,090.11**
Previous Year	22,796.98	456.74	12.38	0.93	23,242.27	2,745.11	1,404.39	2.66	4,152.16	19,090.11	

Note : 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. For other notes, these are stated in Annexure-I to Note 2.1.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT
Additional Disclosure of Property, Plant and Equipment

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Freehold **(Refer Note 2.1.1 and 2.1.2)**	313.69	12.16	0.01	6.15	331.99	-	-	-	-	331.99	313.69
Land – Leasehold **(Refer Note 2.1.1 and 2.1.3)**	370.76	0.02	-	(54.78)	316.00	78.63	11.65	(54.79)	35.49	280.51	292.13
Roads and Bridges	312.60	6.67	0.26	(3.18)	315.83	124.92	10.18	(0.45)	134.65	181.18	187.68
Buildings	2,760.23	331.94	2.49	(11.41)	3,078.27	999.94	94.26	(13.37)	1,080.83	1,997.44	1,760.29
Building-Under Lease **(Refer 34 (16B))**	-	17.01	-	-	17.01	-	0.36	-	0.36	16.65	-
Railway Sidings	36.12	-	0.02	-	36.10	26.97	5.68	(0.02)	32.63	3.47	9.15
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	18,501.11	4,025.18	8.00	1.84	22,520.13	8,258.61	952.73	(4.90)	9,206.44	13,313.69	10,242.50
Generating Plant and Machinery	10,194.08	1,017.32	9.47	0.52	11,202.45	4,247.73	481.48	(0.64)	4,728.57	6,473.88	5,946.35
Plant and machinery - Sub-Station	101.19	2.04	0.10	(0.20)	102.93	60.92	2.43	(0.28)	63.07	39.86	40.27
Plant and machinery - Transmission Lines	96.33	1.61	-	(0.03)	97.91	40.09	4.59	(0.03)	44.65	53.26	56.24
Plant and machinery - Others	49.79	3.39	0.43	(0.44)	52.31	25.12	2.05	(0.76)	26.41	25.90	24.67
Construction Equipment	112.62	2.15	1.67	(1.15)	111.95	78.02	3.94	(2.64)	79.32	32.63	34.60
Water Supply System/Drainage and Sewerage	57.05	5.29	0.08	(0.02)	62.24	16.11	2.18	(0.05)	18.24	44.00	40.94
Electrical Installations	5.64	0.42	0.07	-	5.99	1.85	0.31	(0.04)	2.12	3.87	3.79
Vehicles	34.35	0.48	1.06	(0.69)	33.08	17.30	1.82	(1.55)	17.57	15.51	17.05
Aircraft/ Boats	1.15	1.05	0.02	-	2.18	0.44	0.14	-	0.58	1.60	0.71
Furniture and Fixtures	58.50	2.77	0.31	(0.50)	60.46	32.32	2.42	(0.68)	34.06	26.40	26.18
Computers	67.65	5.81	3.11	(0.90)	69.45	51.92	6.43	(3.82)	54.53	14.92	15.73
Communication Equipments	17.08	1.16	0.65	(0.02)	17.57	8.54	0.81	(0.46)	8.89	8.68	8.54
Office Equipments	54.59	4.05	1.08	(0.20)	57.36	27.98	3.04	(0.98)	30.04	27.32	26.61
Research and Development Equipment	1.35	-	-	-	1.35	0.87	0.08	-	0.95	0.40	0.48
Other Assets	76.54	9.19	0.86	(0.64)	84.23	34.04	4.01	(1.33)	36.72	47.51	42.50
Tangible Assets of Minor Value > Rs. 750 and < Rs.5000	18.56	1.17	0.54	(0.45)	18.74	18.55	1.14	(0.97)	18.72	0.02	0.01
TOTAL	**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**
Previous Year	32,811.42	456.74	28.11	0.93	33,240.98	12,759.55	1,404.39	(13.07)	14,150.87	19,090.11	

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 1485.19 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 ₹ 0.01 crore) covering an area of 0.10 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.

b) In respect of other units, title deeds/title in respect of freehold land amounting to ₹ 6.73 crore (Previous year ₹ 0.52 crore) covering an area of 109.75 hectare (Previous year 125.03 hectare) and lease deeds in respect of leasehold land amounting to ₹ 251.28 crore (Previous year ₹ 306.08 crore) covering an area of 519.68 hectare (Previous year 870.87 hectare) are yet to be executed/passed.

c) "Building under Lease" represents building space of 5001 sq. feet in Kidwai Nagar, New Delhi amounting to ₹ 17.01 crore acquired during the year. Lease deed in respect of the same is pending execution.

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 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).

2.1.4 Underground works amounting to ₹ 10508.57 crore (Previous Year ₹ 6302.08 crore), created on Land - Right to use, are included under the relevant heads of Property, Plant and Equipment.

2.1.5 Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, depreciation charged and capitalized during construction of a project.

2.1.6 Pending approval of revised cost estimates (RCE) of Sewa-II, 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.

2.1.7 Refer Note No 34(9) for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.8 Refer Note no. 34 (4), 34(18) and 34(32) of Standalone Financial Statements.

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
CWIP - Assets Under 5 KM Scheme Of the GOI	-	-	-	-	-
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 ₹ 661.57 Crore (Previous year ₹ 367.95 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. 2.2 Capital Work in Progress

(₹ in crore)

Particulars	As at 01.04.2018	Addition	Adjustment	Capitalised	As at 31.03.2019
Roads and Bridges	98.56	4.23	-	9.80	92.99
Buildings	1,153.58	48.61	(32.05)	264.03	906.11
Building-Under Lease	-	17.01	-	17.01	-
Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	7,096.80	487.45	-	3,063.87	4,520.38
Generating Plant and Machinery	3,184.09	139.26	(0.02)	738.84	2,584.49
Plant and Machinery - Sub-Station	14.79	0.10	(10.07)	1.84	2.98
Plant and Machinery - Transmission Lines	1.76	0.60	-	1.08	1.28
Plant and Machinery - Others	0.49	-	(0.49)	-	-
Water Supply System/Drainage and Sewerage	3.61	3.43	(0.11)	5.00	1.93
Assets awaiting Installation	9.33	29.76	(0.02)	26.70	12.37
Survey, Investigation, Consultancy and Supervision Charges	287.26	6.77	-	136.38	157.65
Expenditure Attributable to Construction **(Refer Note-32)**	7,422.21	841.78	-	1,085.41	7,178.58
Sub total	**19,272.48**	**1,579.00**	**(42.76)**	**5,349.96**	**15,458.76**
Less: Capital Work in Progress provided **(Refer Note 2.2.2)**	605.53	60.52	-	-	666.05
Sub total (a)	**18,666.95**	**1,518.48**	**(42.76)**	**5,349.96**	**14,792.71**
Construction Stores	148.25		(40.44)		107.81
Less : Provisions for construction stores	1.24		1.17		2.41
Sub total (b)	**147.01**	**-**	**(41.61)**	**-**	**105.40**
TOTAL (a + b)	**18,813.96**	**1,518.48**	**(84.37)**	**5,349.96**	**14,898.11**
Previous Year	17,350.13	1,841.98	33.35	411.50	18,813.96

Note:-

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 367.95 Crore (Previous year ₹ 388.68 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 ₹ 1419.98 Crore (Previous Year ₹ 1287.92 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 ₹ 1376.46 Crore (Previous Year ₹ 1244.40 Crore) pertaining to projects with the company, a sum of ₹ 622.53 Crore (Previous Year ₹ 562.01 Crore) has been provided upto date where uncertainties are attached and ₹ 753.93 Crore (Previous Year ₹ 682.39 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 ₹ 2172.97 Crore (Previous Year ₹ 5177.50 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(9) 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 Capital Work in Progress includes a cummulative expenditure of ₹ 6638.37 crore (Previous Year ₹ 6317.39 crore) in respect of Subansiri Lower Project where construction activities have been interrupted with effect from 16.12.2011 and the matter is pending with National Green Tribunal. **(Refer Note 34(22A))**

2.2.8 Refer Note no. 34(4) and 34(18) of Standalone Financial Statement.

NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION/ 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 – 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 amounting to ₹ 251.20 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(9) of Standalone Financial Statements for information of non-current assets equitably mortgaged/ hypothecated with banks as security for related borrowings.

2.3.4 Refer Note no. 34(18) of Standalone Financial Statements for information regarding Impairment of Assets.

2.3.5 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.

2.3.6 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/ 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 – 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 01.04.2019	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. 2.4 INVESTMENT PROPERTY

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
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 31.03.2019	For the year ended 31.03.2018
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 31.03.2019	As at 31.03.2018
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-2 of fair valuation hierarchy.

NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK						AMORTISATION					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 – 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	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 – 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. 2.5 INTANGIBLE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Right to Use	938.64	-	-	(5.45)	933.19	16.67	9.99	0.88	27.54	905.65	921.97
Computer Software	9.47	0.85	-	0.01	10.33	8.06	1.25	0.01	9.32	1.01	1.41
TOTAL	**948.11**	**0.85**	**-**	**(5.44)**	**943.52**	**24.73**	**11.24**	**0.89**	**36.86**	**906.66**	**923.38**
Previous Year	950.20	1.41	-	(3.50)	948.11	16.06	8.66	0.01	24.73	923.38	

Note : 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 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Right to Use	968.47	-	-	(6.33)	962.14	46.50	9.99	-	56.49	905.65	921.97
Computer Software	47.65	0.85	0.33	(0.07)	48.10	46.24	1.25	(0.40)	47.09	1.01	1.41
TOTAL	**1,016.12**	**0.85**	**0.33**	**(6.40)**	**1,010.24**	**92.74**	**11.24**	**(0.40)**	**103.58**	**906.66**	**923.38**
Previous Year	1,018.23	1.41	0.02	(3.50)	1,016.12	84.09	8.66	(0.01)	92.74	923.38	

NOTE NO. 3.1 NON CURRENT INVESTMENTS

Particulars	As at 31st March 2020		As at 31st March 2019	
	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				
Indian Overseas Bank (Fully Paid Up) (Face Value of ₹ 10/- each)	360800	0.25	360800	0.52
PTC India Limited. (Fully Paid Up) (Face Value of ₹ 10/- each)	12000000	46.32	12000000	88.14
Total (A)		**46.57**		**88.66**
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)	90292309	90.29	87092309	87.09
- Bundelkhand Saur Urja Limited **(Refer Note 34(8))** (Face Value of ₹ 10/- each)	4999999	5.00	3999999	4.00
- Lanco Teesta Hydro Power Limited. **(Refer Note 34(8))** (Face Value of ₹ 10/- each)	920500000	920.50	-	-
(ii) Joint Ventures (Fully Paid Up)				
- Chenab Valley Power Projects Private Limited **(Refer Note 34(8))** (Face Value of ₹ 10/- each)	888000000	888.00	747550000	747.55
- National High Power Test Laboratory (P) Limited (Face Value of ₹ 10/- each)	30400000	30.40	30400000	30.40
Total (B)		**2,936.61**		**1,871.46**
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	162.76	150000	157.11
8.20% Oil Marketing Companies GOI Special Bonds 15 September 2024 (Per Unit Value of ₹ 10000/- each)	12380	13.36	12380	12.90
8.28% GOI 21 September 2027 (Per Unit Value of ₹ 10000/- each)	57000	62.52	57000	59.77
8.26% GOI 02 August 2027 (Per Unit Value of ₹ 10000/- each)	17940	19.67	17940	18.76
8.28% GOI 15 February 2032 (Per Unit Value of ₹ 10000/- each)	35000	39.38	35000	36.89
8.32% GOI 02 August 2032 (Per Unit Value of ₹ 10000/- each)	34000	38.24	34000	35.99
Sub-total (a)		**335.93**		**321.42**

Particulars	As at 31st March 2020		As at 31st March 2019	
	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 & Corporates				
7.41% IIFCL Tax Free Bonds 15 November 2032 (Per Unit Value of ₹ 10,00,000/- each)	120	13.79	120	13.89
8.12% REC Tax Free Bonds 27 March 2027 (Per Unit Value of ₹ 1000/- each)	100000	11.94	100000	11.83
8.48% NHAI TAX FREE 22 November 2028 (Per Unit Value of ₹ 10,00,000/- each)	473	55.90	473	54.40
Sub-total (b)		**81.63**		**80.12**
Total (C) (a+b)		**417.56**		**401.54**
Total (A+B+C)		**3,400.74**		**2,361.66**

		2020	2019
3.1.1	(i) Aggregate amount and market value of quoted investments	464.13	490.20
	(ii) Aggregate amount of unquoted investments	2,936.61	1,871.46

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 Debenture maturing during the Financial Year 2020-21.

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 - TRADE RECEIVABLES

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Trade Receivables - Considered Good- Unsecured	-	61.51
Total	**-**	**61.51**

NOTE NO. 3.3 NON-CURRENT - FINANCIAL ASSETS - LOANS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
	At Amortised Cost		
A	**Deposits**		
	- Considered good- Unsecured	22.45	21.49
	Sub-total	**22.45**	**21.49**
B	**Loans to Employees (Refer Note 3.3.1)**		
	- Considered good- Secured	97.16	102.53
	- Considered good- Unsecured	3.24	2.39
	Sub-total	**100.40**	**104.92**
C	**Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.3.2 and 3.3.4)**		
	- Considered good- Unsecured	675.80	620.00
	Sub-total	**675.80**	**620.00**
	TOTAL	**798.65**	**746.41**

3.3.1	Due from directors or other officers of the company.	Nil	Nil
3.3.2	Loan to Government of Arunachal Pradesh includes :		
	- Principal	225.00	225.00
	- Interest	450.80	395.00

3.3.3 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.

3.3.4 Represents loan granted for business purpose.

3.3.5 Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

NOTE NO. 3.4 NON-CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A	Bank Deposits with more than 12 Months Maturity	0.35	0.35
B	Lease Rent receivable **(Refer Note 34(16)(B))**	1,384.63	1,449.61
C	Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.4.1 and also Refer 11(H))**	2,017.20	2,017.20
D	Interest accrued on:		
	- Bank Deposits with more than 12 Months Maturity	0.02	-
E	Derivative Mark to Market Asset	33.71	-
	TOTAL	**3,435.91**	**3,467.16**

3.4.1 Refer Note 16.2.1 in respect of amount payable towards Bonds fully serviced by Government of India.

3.4.2 Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

NOTE NO. 4 NON CURRENT TAX ASSETS (NET)

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Advance Income Tax including Tax Deducted at Source	1,472.68	1,463.81
Less: Provision for Current Tax	1,333.78	1,331.86
TOTAL	**138.90**	**131.95**

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A.	**CAPITAL ADVANCES**		
	- Considered good- Secured	45.06	1.22
	- Considered good- Unsecured		
	– Against bank guarantee	164.73	255.49
	– Others **(Refer Note 5.1)**	198.23	243.97
	Less : Expenditure booked pending utilisation certificate	30.28	42.68
	- Considered doubtful - Unsecured	10.20	4.49
	Less : Allowances for doubtful advances (Refer Note 5.2)	10.20	4.49
	Sub-total	**377.74**	**458.00**
B.	**ADVANCES OTHER THAN CAPITAL ADVANCES**		
i)	**DEPOSITS**		
	- Considered good- Unsecured	0.53	0.53
	- Considered doubtful - Unsecured	0.04	0.04
	Less : Allowances for Doubtful Deposits (Refer Note 5.3)	0.04	0.04
	Sub-total	**0.53**	**0.53**
ii)	**Other advances**		
	- Considered good- Unsecured	0.49	0.73
	Sub-total	**0.49**	**0.73**
C.	**Interest accrued**		
	Others		
	- Considered Good	47.97	-
	Sub-total	**47.97**	**-**
D.	**Others**		
i)	**Advance against arbitration awards towards capital works (Unsecured)**		
	Released to Contractors - Against Bank Guarantee	697.09	617.39
	Released to Contractors - Others	34.61	34.61
	Deposited with Court	1,222.90	334.24
	Sub-total	**1,954.60**	**986.24**
ii)	**Deferred Foreign Currency Fluctuation Assets/ Expenditure**		
	Deferred Foreign Currency Fluctuation Assets	468.37	398.56
	Deferred Expenditure on Foreign Currency Fluctuation	131.53	130.91
	Sub-total	**599.90**	**529.47**
iii)	**Deferred Cost on Employees Advances**	**42.38**	**46.38**
	TOTAL	**3,023.61**	**2,021.35**

5.1 Capital Advances- Others includes an amount of ₹ Nil (Previous year ₹ 41.34 Crore) deposited with Himachal Pradesh Government for acquisition of land to compensate villagers for damaged house/shops due to leakage/seepage of water from Chamera-III Power Station.

5.2	**Allowances for doubtful Advances**		
	Opening Balance	4.49	4.49
	Adjustment	5.82	-
	Reversed during the year	0.11	-
	Closing balance	**10.20**	**4.49**
5.3	**Allowances for doubtful Deposits**		
	Opening Balance	0.04	0.04
	Closing balance	**0.04**	**0.04**

5.4 Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

NOTE NO. 6 INVENTORIES

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
(Valued at lower of Cost or Net Realisable Value)		
Stores and spares	121.38	120.44
Stores in transit/ pending inspection	0.81	2.00
Loose tools	2.51	2.43
Scrap inventory	1.29	0.35
Material issued to contractors/ fabricators	-	0.02
Less: Allowances for Obsolescence and Diminution in Value **(Refer Note 6.1)**	7.75	8.10
TOTAL	**118.24**	**117.14**
6.1 Allowances for Obsolescence and Diminution in Value		
Opening Balance	8.10	8.95
Addition during the year **(Refer Note 6.1.1)**	0.23	0.82
Used during the year	0.19	0.35
Reversed during the year	0.39	1.32
Closing balance	**7.75**	**8.10**
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.	0.23	0.82
6.1.2 Allowances for Obsolence and Diminution in value of inventory booked in earlier years and reversed during the year.	0.39	1.32

NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
- Trade Receivables- Considered Good- Unsecured **(Refer Note 7.2, 7.3 and 7.5)**	3,818.34	2,623.09
- Trade Receivables- Credit Impaired **(Refer Note 7.2 and 7.3)**	37.71	37.71
Less: Impairment allowances for Trade Recevables (Refer Note 7.1)	37.71	37.71
TOTAL	**3,818.34**	**2,623.09**
7.1 Impairment allowances for Trade Recevables		
Opening Balance	37.71	37.71
Closing balance	**37.71**	**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 ₹ 714.31 Crore (Previous year ₹ Nil 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 20.1.2 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 2020	As at 31st March 2019
A	**Balances with banks**		
	With scheduled banks		
	- In Current Account	8.86	12.02
B	**Cheques, drafts on hand**	-	0.01
C	**Cash on hand (Refer Note 8.1)**	0.01	0.01
	TOTAL	**8.87**	**12.04**
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 2020	As at 31st March 2019
A	Bank Deposits for original maturity more than 3 months upto 12 months **(Refer Note 9.1)**	268.82	253.82
B	Deposit -Unpaid Dividend	22.64	19.17
C	Deposit -Unpaid Interest	86.90	86.92
D	Other Earmarked Balances with Banks **(Refer Note 9.2 and 9.3)**	1.89	18.68
	TOTAL	**380.25**	**378.59**
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.	268.78	253.82
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.	1.36	18.18
	(ii) NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.	0.53	0.50

9.3 Earmarked balances with banks amounting to Rs. 18.68 Crore as on 31.3.2019 has been reclassified from "Cash and Cash Equivalents" to "Bank Balances Other Than Cash and Cash Equivalents".

NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A	**Deposits**		
	- Unsecured (considered good)	0.48	0.62
	Sub-total	**0.48**	**0.62**
B	**Loan (including interest thereon) to Related Party - Unsecured (considered good)** - National High Power Test Laboratory (P) Limited **(Refer Note 34(8))**	6.27	6.00
	Sub-total	**6.27**	**6.00**
C	**Employees Loan (including accrued interest) (Refer Note 10.2)**		
	- Loans Receivables- Considered good- Secured	13.07	15.79
	- Loans Receivables- Considered good- Unsecured	26.21	22.77
	- 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	**39.28**	**38.56**
	TOTAL	**46.03**	**45.18**

	Particulars	As at 31st March 2020	As at 31st March 2019
10.1	**Impairment Allowances for loan which have significant increase in Credit Risk**		
	Opening Balance	0.01	0.03
	Reversed during the year	-	0.02
	Closing balance	**0.01**	**0.01**
10.2	Due from directors or other officers of the company.	0.05	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.

NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
	Others		
A	Amount recoverable	727.07	519.45
	Less: Allowances for Doubtful Recoverables **(Refer Note 11.1)**	285.72	203.37
	Sub-total	**441.35**	**316.08**
B	Interest Income accrued on Bank Deposits	0.19	2.62
C	Receivable on account of unbilled revenue **(Refer Note 11.2)**	2,146.83	1,501.73
D	Receivable from Subsidiaries / Joint Ventures **(Refer Note 11.3)**	49.25	98.28
E	Interest recoverable from beneficiary	3.52	1.87
F	Lease Rent receivable (Finance Lease) **(Refer Note 34(16)(B))**	51.60	56.67
G	Interest Accrued on Investment (Bonds)	2.52	2.52
H	Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.4(C))**		
	- Interest accrued	4.48	4.49
	TOTAL	**2,699.74**	**1,984.26**
11.1	**Allowances for Doubtful Recoverables**		
	Opening Balance	203.37	210.18
	Addition during the year	85.69	4.84
	Adjustment	-	(1.75)
	Used during the year	-	0.05
	Reversed during the year	3.34	9.85
	Closing balance	**285.72**	**203.37**
11.2	**Represents receivable on account of :**		
	Grossing up of Return on Equity	(40.78)	53.15
	Water cess	647.12	264.34
	Unbilled sale for the month of March	451.16	455.15
	Annual Fixed Charges pending revision/ approval -Parbati-III Power Station	-	16.11
	Annual Fixed Charges pending revision/ approval -Chamera-III Power Station	-	2.83
	Annual Fixed Charges pending revision/ approval-Sewa-II Power Station	-	214.04
	Annual Fixed Charges pending revision/ approval-TLDP-IV Power Station	128.65	93.43
	Saving due to refinancing & Bond Issue Expenses	(2.66)	(58.77)
	Tax adjustment including Deferred Tax Materialized	133.05	105.69
	Energy Shortfall	149.52	151.75
	Additional Impact of Goods and Services Tax	112.59	55.83
	Operation and Maintenance Expenses - Bairasiul	-	40.14

Particulars	As at 31st March 2020	As at 31st March 2019
Foreign Exchange Rate Variation	43.68	93.67
O & M and Security Expenses-Incresae as per new Tariff Regulation 2019-24	243.17	-
Depreciation on account of change in project life	(47.91)	-
Wage Revision	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.	83.89	-
Rate Revision -TLDP-III Power Station	(123.18)	-
Others	13.32	14.37
TOTAL	**2,146.83**	**1,501.73**

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 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 2020	As at 31st March 2019
Current Tax Assets		
Current Tax **(Refer Note No-23)**	86.95	61.22
Total	**86.95**	**61.22**

NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
A. Advances other than Capital Advances		
a) Deposits		
- Considered good- Unsecured	30.68	88.70
Less : Expenditure booked against demand raised by Government Departements	0.10	0.10
- Considered doubtful- Unsecured	0.01	0.01
Less : Allowances for Doubtful Deposits **(Refer Note 13.1)**	0.01	0.01
Sub-total	**30.58**	**88.60**
b) Advance to contractors and suppliers (Refer Note 13.7)		
- Considered good- Secured	0.76	0.14
- Considered good- Unsecured		
– Against bank guarantee	13.40	13.30
– Others	52.53	24.05
Less : Expenditure booked pending utilisation certificate	12.26	0.14
- Considered doubtful- Unsecured	45.52	45.52
Less : Allowances for doubtful advances **(Refer Note 13.2)**	45.52	45.52
Sub-total	**54.43**	**37.35**
c) Other advances - Employees		
- Considered good- Unsecured **(Refer Note 13.6)**	2.88	0.79
Sub-total	**2.88**	**0.79**

	Particulars	As at 31st March 2020	As at 31st March 2019
d)	**Interest accrued**		
	Others		
	- Considered Good	67.45	11.05
	- Considered Doubtful	-	108.90
	Less: Allowances for Doubtful Interest **(Refer Note 13.3)**	-	108.90
	Sub-total	**67.45**	**11.05**
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	11.45	39.20
	Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.5)**	11.45	39.20
	Sub-total	**-**	**-**
c)	**Prepaid Expenditure**	131.06	92.74
d)	**Deferred Cost on Employees Advances**	4.75	5.00
e)	**Deferred Foreign Currency Fluctuation**		
	Deferred Foreign Currency Fluctuation Assets	38.32	30.83
	Deferred Expenditure on Foreign Currency Fluctuation	1.71	7.93
f)	**Surplus / Obsolete Assets (Refer Note 13.8)**	5.47	3.58
g)	**Goods and Services Tax Input Receivable**	15.47	13.82
h)	**Income Tax Refundable**	40.19	40.19
i)	**Others (Mainly on account of Material Issued to Contractors)**	35.59	23.37
	TOTAL	**427.90**	**355.25**
13.1	**Allowances for Doubtful Deposits**		
	Opening Balance	0.01	-
	Addition during the year	-	0.01
	Closing balance	**0.01**	**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	104.11
	Addition during the year	-	19.44
	Reversed during the year	108.90	14.65
	Closing balance	**-**	**108.90**
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	39.20	38.91
	Addition during the year	0.26	0.16
	Adjustment	1.24	1.75
	Used during the year	29.08	0.38
	Reversed during the year	0.17	1.24
	Closing balance	**11.45**	**39.20**
13.6	Loans and Advances due from Directors or other officers at the end of the year.	Nil	Nil
13.7	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	Nil	Nil

13.8 Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.

13.9 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 2020	As at 31st March 2019
A	**Regulatory Deferral Account Balances in respect of Subansiri Lower Project**		
	Opening Balance	3,267.34	3,172.81
	Addition during the year **(Refer Note 31)**	203.25	94.53
	Closing balance	**3,470.59**	**3,267.34**
B	**Wage Revision as per 3rd Pay Revision Committee**		
	Opening Balance	631.90	428.05
	Addition during the year (through Statement of Profit and Loss) **(Refer Note 31)**	-	203.85
	Closing balance	**631.90**	**631.90**
C	**Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff**		
	Opening Balance	171.98	-
	Addition during the year **(Refer Note 31)**	195.62	171.98
	Closing balance	**367.60**	**171.98**
D	**Exchange Differences on Monetary Items**		
	Opening Balance	(0.97)	(0.40)
	Addition during the year **(Refer Note 31)**	0.99	(0.57)
	Closing balance	**0.02**	**(0.97)**
E	**Adjustment against Deferred Tax Recoverable for tariff period upto 2009**		
	Opening Balance	1,654.73	1,792.03
	Used during the year **(Refer Note 31)**	125.71	-
	Reversed during the year	-	137.30
	Closing balance	**1,529.02**	**1,654.73**
F	**Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.**		
	Opening Balance	767.63	276.72
	Addition during the year **(Refer Note 31)**	69.46	490.91
	Closing balance	**837.09**	**767.63**
	Closing Balance (A+B+C+D+E+F)	**6,836.22**	**6,492.61**
	Less: Deferred Tax on Regulatory Deferral Account Balances	(330.86)	(350.52)
	Add: Deferred Tax recoverable from Beneficiaries	(330.86)	(350.52)
	Regulatory Deferral Account Balances net of Deferred Tax.	**6,836.22**	**6,492.61**

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 2020		As at 31st March 2019	
	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 2020		As at 31st March 2019	
	Nos	Amount (₹ in Crore)	Nos	Amount (₹ in Crore)
Opening Balance	10045034805	10,045.03	10259320519	10,259.32
Less:-Buyback of shares during the year	-	-	214285714	214.29
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, 2020		As at 31st March, 2019	
	Number	In (%)	Number	In (%)
- President of India	7126772676	70.95%	7365964993	73.33%
- Life Insurance Corporation of India	736631947	7.33%	734379599	7.31%

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 2020	As at 31st March 2019
(i)	**Capital Redemption Reserve**		
	As per last Balance Sheet	2,255.71	2,041.42
	Add: Transfer from General Reserve	-	214.29
	As at Balance Sheet date	**2,255.71**	**2,255.71**
(ii)	**Securities Premium**		
	As per last Balance Sheet	-	242.81
	Less: Utilisation for buy-back of equity shares	-	242.81
	As at Balance Sheet date	**-**	**-**
(iii)	**Bond Redemption Reserve**		
	As per last Balance Sheet	2,193.35	2,129.55
	Add: Transfer from Surplus/Retained Earnings	-	308.78
	Less: Transfer to Surplus/Retained Earnings	244.97	244.98
	As at Balance Sheet date	**1,948.38**	**2,193.35**

	Particulars	As at 31st March 2020	As at 31st March 2019
(iv)	**General Reserve**		
	As per last Balance Sheet	9,724.72	10,088.11
	Less: Utilisation for buy-back of equity shares and related expenses	-	149.10
	Less: Tranfer to Capital Redemption Reserve	-	214.29
	As at Balance Sheet date	**9,724.72**	**9,724.72**
(v)	**Retained Earnings/ Surplus**		
	As per last Balance Sheet	4,889.54	3,470.12
	Add: Profit during the year	3,007.17	2,630.55
	Add: Other Comprehensive Income during the year	29.37	1.70
	Add: Transfer from Bond Redemption Reserve	244.97	244.98
	Less: Dividend (Final and Interim) **(Refer Note 33(3)(C))**	1,938.69	1,000.46
	Less: Tax on Dividend **(Refer Note 33(3)(C))**	298.78	148.57
	Less: Transfer to Bond Redemption Reserve	-	308.78
	As at Balance Sheet date	**5,933.58**	**4,889.54**
(vi)	**Fair value through Other Comprehensive Income (FVTOCI)- Equity Instruments**		
	As per last Balance Sheet	76.30	92.78
	Add: Change in Fair value of FVTOCI (Net of Tax)	(42.09)	(16.48)
	As at Balance Sheet date	**34.21**	**76.30**
(vii)	**Fair value through Other Comprehensive Income (FVTOCI)- Debt Instruments**		
	As per last Balance Sheet	30.08	27.71
	Add: Change in Fair value of FVTOCI (Net of Tax)	12.10	2.37
	As at Balance Sheet date	**42.18**	**30.08**
	TOTAL	**19,938.78**	**19,169.70**

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) **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.

(vi) **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.

NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
	At Amortised Cost		
A	**- Secured Loans**		
	-Bonds	14,532.79	11,635.59
	-Term Loan		
	- from Banks	500.00	200.00
	- from Other (Financial Institutions)	474.00	840.34
B	**- Unsecured Loans**		
	-Term Loan		
	- from Government of India (Subordinate Debts)	3,597.58	3,352.83
	- from Other (in Foreign Currency)	1,774.29	1,015.87
	Sub Total (A+B)	**20,878.66**	**17,044.63**
C	**Long term maturities of lease obligations (Refer Note 34(16))**	11.08	-
	TOTAL (A+B+C)	**20,889.74**	**17,044.63**

16.1.1 Debt Covenants : Refer Note 33(3) with regard to capital Management.

16.1.2 Particulars of Redemption, Repayments and Securities.

16.1.2

(₹ in crore)

	16.1.2.A Particulars of redemptions, repayments and securities	As at 31st March 2020	As at 31st March 2019
(A)	**BONDS (Non-convertible and Non-cumulative)-Secured**		
i)	**TAX FREE BONDS- 3A SERIES (Refer Note 16.1.2.B(3&6))** (8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	336.07	336.07
ii)	**TAX FREE BONDS- 3B SERIES (Refer Note 16.1.2.B(3&6))** (8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	253.62	253.62
iii)	**BONDS- U SERIES (Refer Note 16.1.2.B(2&7))** (8.24% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)	540.00	540.00
iv)	**BONDS- U1 SERIES (Refer Note 16.1.2.B(2&7))** (8.17% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)	360.00	360.00
v)	**TAX FREE BONDS- 2A SERIES (Refer Note 16.1.2.B(3&6))** (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	213.12	213.12
vi)	**TAX FREE BONDS- 2B SERIES (Refer Note 16.1.2.B(3&6))** (8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	85.61	85.61
vii)	**BONDS-AA-1 SERIES (Refer Note 16.1.2.B (13))** (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). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual installments commencing from 11.03.2026.)	500.00	-

16.1.2.A	Particulars of redemptions, repayments and securities	As at 31st March 2020	As at 31st March 2019
viii)	**BONDS-AA SERIES (Refer Note 16.1.2.B (13))** (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). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual installments commencing from 11.02.2026.)	1,500.00	-
ix)	**BONDS-Y-1 SERIES (Refer Note 16.1.2.B (13))** (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). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual installments commencing from 03.01.2026.	500.00	-
x)	**BONDS-Y SERIES (Refer Note 16.1.2.B (12)** (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.) (Bond issue amount of ₹ 1500 crores redeemable in 5 equal annual installments commencing from 07.10.2025.)	1,500.00	-
xi)	**TAX FREE BONDS- 1A SERIES (Refer Note 16.1.2.B(3&6))** (8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	50.81	50.81
xii)	**TAX FREE BONDS- 1B SERIES (Refer Note 16.1.2.B(3&6))** (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	60.77	60.77
xiii)	**BONDS-W2 SERIES (Refer Note 16.1.2.B(10))** (7.35% 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). (5 Yearly redemptions of ₹ 150.00 crore each w.e.f. 15.09.2023 to 15.09.2027)	750.00	750.00
xiv)	**BONDS-V2 SERIES (Refer Note 16.1.2.B(3))** (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). (5 Yearly redemptions of ₹ 295.00 crore each w.e.f. 06.06.2023 to 06.06.2027)	1,475.00	1,475.00
xv)	**BONDS-X SERIES (Refer Note 16.1.2.B(1&3))** (8.65% p.a. 10 year Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each Redeemable in 7 equal yearly installments). (Bond issue amount of ₹ 1500 Crores redeemable in 7 equal annual insallments commencing from 08.02.2023. Date of redemption 08.02.2029).	1,500.00	1,500.00
xvi)	**BONDS-T SERIES (Refer Note 16.1.2.B(1,2 and 7))** (8.50% 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). (11 Yearly redemptions of ₹ 122.91 crore each w.e.f. 14.07.2019 to 14.07.2030)	1,352.01	1,474.92
xvii)	**BONDS-R-3 SERIES (Refer Note 16.1.2.B(3))** (8.78% p.a. 15 year 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). (Bond issue amount of ₹ 892.00 Crores redeemable in 10 equal annual installments commencing from 11.02.2019. As on 31.03.2020, 8 annual installments of ₹ 89.20 Crores each are outstanding.)	713.60	802.80

16.1.2.A Particulars of redemptions, repayments and securities	As at 31st March 2020	As at 31st March 2019
xviii) BONDS-S-2 SERIES (Refer Note 16.1.2.B(7)) (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). (Bond issue amount of ₹ 660.00 Crores redeemable in 12 equal annual installments commencing from 26.11.2018. As on 31.03.2020, 10 annual installments of ₹ 55.00 crore each are outstanding.	550.00	605.00
xix) BONDS-W1 SERIES (Refer Note 16.1.2.B(10)) (6.91% p.a. 5 year 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) (Bond issue amount of ₹ 1,500 Crore redeemable in 5 equal annual installments commencing from 15.09.2018. As on 31.03.2020, 3 annual installments of ₹ 300 Crores each are outstanding).	900.00	1,200.00
xx) BONDS-V SERIES (Refer Note 16.1.2.B(3)) (6.84% p.a. 5 year 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) (5 Yearly redemptions of ₹ 155.00 Crore each w.e.f. 24.01.2018 to 24.01.2022. As on 31.03.2020, 2 annual installments of ₹ 155 Crores each are outstanding).	310.00	465.00
xxi) BONDS-Q SERIES (Refer Note 16.1.2.B(4&8)) (9.25% p.a. 15 year 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). (Bond issue amount of ₹ 1266.00 Crores redeemable in 12 equal annual insallments commencing from 12.03.2016. As on 31.03.2020, 7 annual installments of ₹ 105.50 Crores each are outstanding).	738.50	844.00
xxii) BONDS-R-2 SERIES (Refer Note 16.1.2.B(3)) (8.85% p.a. 14 year 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). (Bond issue amount of ₹ 382.08 Crores redeemable in 12 equal annual insallments commencing from 11.02.2016. As on 31.03.2020, 7 annual installments of ₹ 31.84 Crores each are outstanding).	222.88	254.72
xxiii) BONDS-P SERIES (Refer Note 16.1.2.B(3,5 &6)) (9.00% p.a. 15 Year 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 31.03.2020, 5 annual installments of ₹ 200 Crores each are outstanding).	1,000.00	1,200.00
xxiv) BONDS-S-1 SERIES (Refer Note 16.1.2.B(7)) (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) (Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual insallments commencing from 26.11.2015. As on 31.03.2020, 5 annual installments of ₹ 36.50 Crores each are outstanding).	182.50	219.00
xxv) BONDS-R-1 SERIES (Refer Note 16.1.2.B(3)) (8.70% p.a. 13 year 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). (Bond issue amount of ₹ 82.20 Crores redeemable in 12 equal annual insallments commencing from 11.02.2015. As on 31.03.2020, 6 annual installments of ₹ 6.85 Crores each are outstanding).	41.10	47.95
Total Bonds	**15,635.59**	**12,738.39**
Less Current Maturities	**1,102.80**	**1,102.80**
Bonds - Net of current maturities (A)	**14,532.79**	**11,635.59**

16.1.2.A Particulars of redemptions, repayments and securities	As at 31st March 2020	As at 31st March 2019
(B) TERM LOANS - Secured (Banks)		
i) ORIENTAL BANK OF COMMERCE (Refer Note 16.1.2.B(2)) (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 31.03.2020. As on 31.03.2020, 1 annual installments of ₹ 10 Crores each are outstanding.)	10.00	20.00
ii) STATE BANK OF INDIA (Refer Note 16.1.2.B(11)) (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 of 8.00% p.a. as on 31.03.2020).	500.00	190.00
Total Term Loan - Banks (Secured)	**510.00**	**210.00**
Less Current Maturities	10.00	10.00
Term Loan - Banks Net of current maturities (B)	**500.00**	**200.00**
(C) Term Loan-From other (Secured)		
i) LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(3&5)) (Repayable in 2 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% p.a. on ₹ 200 Crore as on 31.03.2020)	208.33	416.67
ii) LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(4&8)) (Repayable in 8 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a. as on 31.03.2020)	632.00	790.00
Total Term Loan - Other Parties (Secured)	**840.33**	**1,206.67**
Less Current Maturities	366.33	366.33
Term Loan - Other Net of current maturities (C)	**474.00**	**840.34**
(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 (Repayable in 18 equal annual instalments of ₹ 29.0577 Crore each from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)	424.54	420.78
ii) Subordinate Debt from Government of India for Chutak Power Station (Repayable in 24 equal annual instalments of ₹ 23.11 Crore each from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.)	442.14	460.18
iii) Subordinate Debt from Government of India for Kishanganga Power Station (Repayable in 10 equal annual instalments of ₹ 364.458 Cr. 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)	2,754.01	2,494.98
Total Term Loan -Government (Unsecured)	**3,620.69**	**3,375.94**
Less Current Maturities	23.11	23.11
Term Loan - Other Parties Net of current maturities (D)	**3,597.58**	**3,352.83**
(E) TERM LOANS - From Others- Foreign Currency (Unsecured)		
i) Japan International Cooperation Agency Tranche-I (Refer Note 16.1.2.B(9)) (Repayable in 12 equal half yearly instalments of ₹ 8.56 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2020)	102.67	107.47
ii) Japan International Cooperation Agency Tranche-II (Refer Note 16.1.2.B(9)) (Repayable in 16 equal half yearly instalments of ₹ 28.07 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2020)	449.07	453.29
iii) Japan International Cooperation Agency Tranche-III (Refer Note 16.1.2.B(9)) (Repayable in 28 equal half yearly instalments of ₹ 20.73 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2020)	580.49	558.03
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.)	756.77	-

16.1.2.A Particulars of redemptions, repayments and securities	As at 31st March 2020	As at 31st March 2019
Total Term Loan -Other Parties -Foreign Currency (Unsecured)	**1,889.00**	**1,118.79**
Less Current Maturities	114.71	102.92
Term Loan - Other Parties- Foreign Currency (Unsecured) (E)	**1,774.29**	**1,015.87**
Grand Total (A+B+C+D+E)	**20,878.66**	**17,044.63**

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.

NOTE NO. 16.2 FINANCIAL LIABILTIES - NON CURRENT - OTHERS

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Payable towards Bonds Fully Serviced by Government of India **(Refer Note 16.2.1)**		
- Principal	2,017.20	2,017.20
Retention Money	42.03	41.44
TOTAL	**2,059.23**	**2,058.64**

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-3.4**.

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 2020	As at 31st March 2019
A.	**PROVISION FOR EMPLOYEE BENEFITS**		
i)	**Provision for Long term Benefits (Provided for on the basis of actuarial valuation)**		
	As per last Balance Sheet	7.26	6.31
	Additions during the year	-	0.95
	Amount used during the year	0.09	-
	Closing Balance	**7.17**	**7.26**
B.	**OTHERS**		
i)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	1.37	1.25
	Amount reversed during the year	0.08	-
	Unwinding of discount	0.14	0.12
	Closing Balance	**1.43**	**1.37**
ii)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	17.66	17.40
	Additions during the year	1.35	0.66
	Amount used during the year	0.73	0.61
	Amount reversed during the year	0.14	0.14
	Unwinding of discount	0.43	0.35
	Closing Balance	**18.57**	**17.66**
iii)	**Provision-Others**		
	As per last Balance Sheet	0.53	0.51
	Additions during the year	0.05	0.05
	Amount used during the year	0.06	0.03
	Amount reversed during the year	0.03	-
	Closing Balance	**0.49**	**0.53**
	TOTAL	**27.66**	**26.82**

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 2020	As at 31st March 2019
	Deferred Tax Liability		
a)	Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	3,980.45	3,911.72
b)	Financial Assets at FVTOCI	24.21	(7.75)
c)	Other Items	42.22	70.95
	Deferred Tax Liability	**4,046.88**	**3,974.92**
	Less:-Set off Deferred Tax Assets pursuant to set off provisions		
a)	Provision for employee benefit scheme, doubtful debts, inventory and others	360.00	319.82
b)	Other Items	45.69	44.47
	Deferred Tax Assets	405.69	364.29
	Deferred Tax Liability (Net)	**3,641.19**	**3,610.63**

18.1 Movement in Deferred Tax Liability/ (Assets)

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 Rs. 2196.82 crores lying unutilized as on 31st March, 2020 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 existing 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 Rs. 2196.82 crores 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

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**	**(7.75)**	**70.95**	**3,974.92**
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**	**24.21**	**42.22**	**4,046.88**

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	**319.82**	**44.47**	**364.29**
(Charge)/Credit			
-to Statement of Profit and Loss	40.18	1.22	41.40
-to Other Comprehensive Income	-	-	-
At 31st March 2020	**360.00**	**45.69**	**405.69**

2018-19

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 2018	**3,148.21**	**9.07**	**227.06**	**3,384.34**
Charge/(Credit)				
-to Statement of Profit and Loss	763.51	(17.61)	(156.11)	589.79
-to Other Comprehensive Income	-	0.79	-	0.79
At 31st March 2019	**3,911.72**	**(7.75)**	**70.95**	**3,974.92**

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	Total
At 1st April 2018	**15.23**	**223.72**	**238.95**
(Charge)/Credit			
-to Statement of Profit and Loss	304.59	(179.25)	125.34
-to Other Comprehensive Income	-	-	-
At 31st March 2019	**319.82**	**44.47**	**364.29**

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
	Income received in advance-Advance Against Depreciation	884.48	916.77
	Deferred Income from Foreign Currency Fluctuation Account	42.81	48.52
	Grants in aid-from Government-Deferred Income **(Refer Note 19.1)**	1,155.36	859.69
	TOTAL	**2,082.65**	**1,824.98**
19.1	**GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME**		
	Opening Balance (Current and Non Current)	886.63	611.11
	Add: Received during the year	330.93	299.72
	Less: Transferred to Statement of Profit and Loss **(Refer Note 24.2)**	29.95	24.20
	Closing Balance (Current and Non Current) (Refer Note 19.1.1)	**1,187.61**	**886.63**
	Grants in Aid-from Government-Deferred Income (Current)- **(Refer Note No-21)**	32.25	26.94
	Grants in Aid-from Government-Deferred Income (Non-Current)	1,155.36	859.69
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.	1,163.35	862.65
(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.	24.26	23.98

NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A	**Loan Repayable on Demand**		
	From Banks-Secured **(Refer Note 20.1.1)**	-	106.00
B	**Other Loans**		
	From Bank-Secured **(Refer Note 20.1.2)**	714.31	300.00
	TOTAL	**714.31**	**406.00**

20.1.1 DETAIL OF BORROWINGS (SECURED)

S. No	Name of Bank along with details of Security	As at 31st March 2020	As at 31st March 2019
1	Canara Bank is secured by Book debts and stocks	-	106.00
	TOTAL	**-**	**106.00**

20.1.2 Secured loan from Bank amounting to ₹ 714.31 Crore (Previous year ₹ Nil 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 2020	As at 31st March 2019
Total outstanding dues of micro enterprise and small enterprise(s) **(Refer Note 20.2.1)**	18.85	15.74
Total outstanding dues of Creditors other than micro enterprises and small enterprises	285.41	164.44
TOTAL	**304.26**	**180.18**

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 2020	As at 31st March 2019
Current maturities of long term debt (Refer Note 20.3.1)		
- Bonds	1,102.80	1,102.80
- Term Loan -Banks-Secured	10.00	10.00
- Term Loan -Financial Institutions-Secured	366.33	366.33
- Unsecured-From Government (Subordinate Debts)	23.11	23.11
- Other-Unsecured (in Foreign Currency)	114.71	102.92
Current maturities of lease obligations	2.83	-
Liability against capital works/supplies other than Micro and Small Enterprises	375.41	313.96
Liability against capital works/supplies-Micro and Small Enterprises **(Refer Note 20.3.2)**	8.88	4.85
Interest accrued but not due on borrowings	643.10	584.98
Payable towards Bonds Fully Serviced by Government of India		
- Interest	4.48	4.49
Earnest Money Deposit/ Retention Money	97.34	119.67
Due to Subsidiaries **(Refer Note 34(8))**	5.44	1.55
Unpaid dividend **(Refer Note 20.3.3)**	22.64	19.17
Unpaid interest **(Refer Note 20.3.3)**	0.25	0.26
Payable to Employees	25.58	119.70
Payable to Others	76.80	73.13
TOTAL	**2,879.70**	**2,846.92**

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 2020	As at 31st March 2019
Income received in advance (Advance against depreciation)	48.25	60.68
Deferred Income from Foreign Currency Fluctuation Account	5.92	6.17
Water Usage Charges Payable	324.45	262.83
Statutory dues payables	102.38	480.88
Contract Liablities-Deposit Works	9.37	19.96
Contract Liablities-Project Management/ Consultancy Work	268.49	196.82
Advance from Customers and Others	11.70	12.19
Grants in aid-from Government-Deferred Income **(Refer Note No-19(1))**	32.25	26.94
TOTAL	**802.81**	**1,066.47**

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 2020	As at 31st March 2019
A.	**PROVISION FOR EMPLOYEE BENEFITS**		
i)	**Provision for Long term Benefits (Provided for on the basis of actuarial valuation)**		
	As per last Balance Sheet	1.20	142.34
	Additions during the year	-	0.37
	Amount used during the year	0.07	141.51
	Closing Balance	**1.13**	**1.20**
ii)	**Provision for Wage Revision**		
	As per last Balance Sheet	-	12.57
	Amount used during the year	-	12.57
	Closing Balance	**-**	**-**
iii)	**Provision for Performance Related Pay/Incentive**		
	As per last Balance Sheet	234.52	264.36
	Additions during the year	250.57	168.85
	Amount used during the year	122.58	198.69
	Amount reversed during the year	1.41	-
	Closing Balance	**361.10**	**234.52**
iv)	**Provision for Superannuation / Pension Fund**		
	As per last Balance Sheet	-	3.58
	Amount used during the year	-	3.58
	Closing Balance	**-**	**-**

	PARTICULARS	As at 31st March 2020	As at 31st March 2019
v)	**Provision For Wage Revision - 3rd Pay Revision Committee**		
	As per last Balance Sheet	11.35	343.83
	Amount used during the year	7.45	332.48
	Amount reversed during the year	3.90	-
	Closing Balance	**-**	**11.35**
B.	**OTHERS**		
i)	**Provision For Tariff Adjustment**		
	As per last Balance Sheet	209.60	164.13
	Additions during the year	-	45.47
	Amount used during the year	100.44	-
	Closing Balance	**109.16**	**209.60**
ii)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	127.55	159.43
	Additions during the year	-	0.80
	Amount used during the year	3.21	33.18
	Amount reversed during the year	0.03	-
	Unwinding of discount	-	0.50
	Closing Balance	**124.31**	**127.55**
iii)	**Provision for Restoration expenses of Insured Assets**		
	As per last Balance Sheet	24.53	21.76
	Additions during the year	46.21	16.65
	Amount used during the year	15.65	4.33
	Amount reversed during the year	0.98	9.55
	Closing Balance	**54.11**	**24.53**
iv)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	16.00	15.60
	Additions during the year	0.90	0.58
	Amount used during the year	0.92	0.23
	Unwinding of discount	0.05	0.05
	Closing Balance	**16.03**	**16.00**
v)	**Provision in respect of arbitration award/ court cases**		
	As per last Balance Sheet	354.52	374.01
	Additions during the year	-	16.70
	Adjustment	(0.27)	-
	Amount used during the year	1.05	26.66
	Amount reversed during the year	-	9.53
	Closing Balance	**353.20**	**354.52**
vi)	**Provision - Others**		
	As per last Balance Sheet	350.10	264.00
	Additions during the year	30.17	106.42
	Adjustment	0.27	-
	Amount used during the year	169.36	18.54
	Amount reversed during the year	2.06	1.78
	Closing Balance	**209.12**	**350.10**
	TOTAL	**1,228.16**	**1,329.37**

22.1 Information about Provisions is given in Note 34 (21) of Standalone Financial Statements.

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

PARTICULARS	As at 31st March 2020	As at 31st March 2019
Current Tax Liability as per last Balance Sheet	705.07	634.68
Additions during the year	1,286.34	705.07
Amount adjusted during the year	(705.07)	(634.68)
Closing Balance of Current Tax Liablity (A)	**1,286.34**	**705.07**
Less: Current Advance Tax including Tax Deducted at Source (B)	1,373.29	766.29
Net Current Tax Liabilities (A-B)	**(86.95)**	**(61.22)**
(Disclosed under Note No-12 above)	**86.95**	**61.22**
TOTAL	**-**	**-**

NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in crore)

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	Operating Revenue		
A	**SALES (Refer Note 24.1.1, 24.1.3 and 34(20))**		
	Sale of Power	6,657.22	6,503.06
	Advance Against Depreciation -Written back during the year	44.72	60.72
	Performance based Incentive/ (Disincentive)	810.00	747.65
	Sub-total (i)	**7,511.94**	**7,311.43**
	Less :		
	Sales adjustment on account of Foreign Exchange Rate Variation	42.94	92.34
	Tariff Adjustments **(Refer Note 24.1.2)**	-	45.47
	Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	25.56	9.17
	Rebate to customers	12.63	26.21
	Sub-total (ii)	**81.13**	**173.19**
	Sub - Total (A) = (i-ii)	**7,430.81**	**7,138.24**
B	**Income from Finance Lease (Refer Note 34(16)(B))**	203.65	208.28
C	**Income from Operating Lease (Refer Note 34(16)(C))**	666.57	748.61
D	**Revenue From Project Management and Consultancy Works**	27.88	23.85
E	**Revenue from Power Trading**		
	Sale of Power (Net of Rebate)	238.56	12.96
	Trading Margin	0.91	-
	Sub - Total (E)	**239.47**	**12.96**
	Sub-Total-I (A+B+C+D+E)	**8,568.38**	**8,131.94**
F	**OTHER OPERATING REVENUE**		
	Income From Sale of Self Generated VERs/REC	1.76	14.23
	Income on account of generation based incentive (GBI)	2.53	3.21
	Interest from Beneficiary States -Revision of Tariff	162.74	11.80
	Sub-Total-II	**167.03**	**29.24**
	TOTAL (I+II)	**8,735.41**	**8,161.18**

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
24.1.1	Sale of Power includes :-		
	(i) Amount recovered/recoverable directly from beneficiary towards deferred tax liablity pertaining to the period upto 2009 and materialised during the year.	193.24	211.05
	(ii) Deemed generation as allowed by Central Electricity Regulatory Commission (CERC).	72.56	105.48
	(iii) Amount of earlier year sales pending finalisation of tariff.	220.50	411.47
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.	Nil	45.47
24.1.3	Amount of unbilled revenue included in Sales.	1,971.74	1,599.38

NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
A)	**Interest Income**		
	- Investments carried at FVTOCI- Non Taxable	5.68	5.68
	- Investments carried at FVTOCI- Taxable	25.76	25.81
	- Loan to Government of Arunachal Pradesh	55.80	51.19
	- Deposit Account	32.11	71.34
	- Employee's Loans and Advances (Net of Rebate)	12.24	15.49
	- Advance to contractors	29.83	24.48
	- Others	20.65	10.74
B)	**Dividend Income**		
	- Dividend from subsidiaries **(Refer Note 34(8))**	485.17	277.67
	- Dividend - Others	4.80	4.80
C)	**Other Non Operating Income (Net of Expenses directly attributable to such income)**		
	Late payment surcharge	259.34	303.15
	Realization of Loss Due To Business Interruption	-	48.77
	Profit on sale of Assets (Net)	-	1.20
	Income from Insurance Claim	29.33	5.02
	Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)**	115.67	31.12
	Material Issued to contractor		
	(i) Sale on account of material issued to contractors	32.17	27.47
	(ii) Cost of material issued to contractors on recoverable basis	(37.63)	(42.44)
	(iii)Adjustment on account of material issued to contractor	5.46	14.97
	Amortization of Grant in Aid **(Refer Note No-19)**	29.95	24.20
	Exchange rate variation (Net)	-	3.18
	Mark to Market Gain on Derivative	33.71	-

PARTICULARS		For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	Others	28.81	40.29
	Sub-total	**1,168.85**	**944.13**
	Less: transferred to Expenditure Attributable to Construction	128.68	12.37
	Less: transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	3.99	6.98
	Total	**1,036.18**	**924.78**
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	0.35	1.20
c)	Impairment Allowances for loan which have significant increase in credit risk	-	0.02
d)	Allowances for doubtful Recoverables	3.34	8.00
e)	Allowances for Doubtful Accrued Interest	108.90	-
f)	Allowances for losses pending investigation/awaiting write off / sanction	0.16	1.18
g)	Provision for Livelihood Assistance	-	0.14
h)	Provision for Restoration expenses of Insured Assets	0.98	9.55
i)	Others	1.83	11.03
	TOTAL	**115.67**	**31.12**

24.2.2 Total includes ₹ 43.54 Crore (Previous year ₹ 24.71 Crore) relating to Subansiri Lower Project as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 9.82 Crore (Previous year ₹ 21.24 Crore) pertaining to Subansiri Lower Project 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, 2020	For the Year ended 31st March, 2019
Purchase of Power	238.32	12.94
Less : Rebate from Supplier	4.19	0.26
Total	**234.13**	**12.68**

NOTE NO. 25.2 GENERATION EXPENSES

(₹ in crore)

PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Water Usage Charges	882.93	775.31
Consumption of stores and spare parts	18.74	21.54
Total	**901.67**	**796.85**

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Salaries and Wages	1,496.38	1,645.74
Contribution to provident and other funds	192.87	265.14
Staff welfare expenses	83.07	87.27
Sub-total	**1,772.32**	**1,998.15**
Less: transferred to Expenditure Attributable to Construction	256.80	293.05
Less: Recoverable from Deposit Works	-	0.45
Total	**1,515.52**	**1,704.65**

26.1 Disclosure about leases towards residential accomodation for employees are given in Note 34 (16) (A).

26.2 Contribution to provident and other funds include contributions:	**For the Year ended 31st March, 2020**	**For the Year ended 31st March, 2019**
i) towards Employees Provident Fund	88.18	105.67
ii) towards Employees Defined Contribution Superannuation Scheme	88.40	129.54
26.3 Salary and wages includes expenditure on short term leases as per IND AS-116 "Leases".	1.50	-

26.4 Total includes ₹ 35.61 Crore (Previous year ₹ 103.90 Crore) relating to Subansiri Lower Project as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 35.60 Crore (Previous year ₹ 20.68 Crore) pertaining to Subansiri Lower Project 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, 2020	For the Year ended 31st March, 2019
A	**Interest on Financial Liabilities at Amortized Cost**		
	Bonds	1,101.23	996.02
	Term loan	140.01	128.29
	Foreign loan	25.29	21.37
	Government of India loan	69.71	61.52
	Lease Liabilities	1.17	-
	Unwinding of discount-Government of India Loan	42.83	29.87
	Sub-total	**1,380.24**	**1,237.07**
B	**Other Borrowing Cost**		
	Call spread/ Coupon Swap	30.23	-
	Bond issue/ service expenses	1.28	1.02
	Guarantee fee on foreign loan	13.43	18.61
	Other finance charges	0.95	0.79
	Unwinding of discount-Provision & Financial Liablities	5.36	5.50
	Sub-total	**51.25**	**25.92**
C	**Applicable net (gain)/ loss on Foreign currency transactions and translation**		
	Exchange differences regarded as adjustment to interest cost	143.79	22.69
	Less: Transferred to Deferred Foreign Currency Fluctuation Assets	(120.23)	(22.69)
	Sub-total	**23.56**	**-**

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
D	**Interest on Income Tax**	2.16	-
	TOTAL (A + B + C +D)	**1,457.21**	**1,262.99**
	Less: transferred to Expenditure Attributable to Construction	661.79	368.11
	TOTAL	**795.42**	**894.88**

27.1 Total includes ₹ 157.61 Crore (Previous year ₹ 302.72 Crore) relating to Subansiri Lower Project as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 157.61 Crore (Previous year ₹ 76.78 Crore) pertaining to Subansiri Lower Project 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, 2020	For the Year ended 31st March, 2019
Depreciation -Property, Plant and Equipment	1,547.17	1,591.73
Depreciation-Right of use Assets	27.32	-
Amortization -Intangible Assets	0.95	11.24
Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 19 and 5(D)(ii)**	(0.35)	(4.09)
Sub-total	**1,575.09**	**1,598.88**
Less: transferred to Expenditure Attributable to Construction	29.75	8.89
TOTAL	**1,545.34**	**1,589.99**

28.1 Total includes ₹ 3.59 Crore (Previous year ₹ 8.54 Crore) relating to Subansiri Lower Project as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 3.59 Crore (Previous year ₹ 1.77 Crore) pertaining to Subansiri Lower Project 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, 2020	For the Year ended 31st March, 2019
A.	**REPAIRS AND MAINTENANCE**		
	- Building	67.59	64.73
	- Machinery	80.74	63.63
	- Others	139.67	146.54
B.	**OTHER EXPENSES**		
	Rent	20.84	44.76
	Hire Charges	27.47	7.07
	Rates and taxes	15.25	14.04
	Insurance	168.00	123.28
	Security expenses	390.50	324.53
	Electricity Charges	43.46	47.55
	Travelling and Conveyance	27.79	26.77
	Expenses on vehicles	6.69	8.60
	Telephone, telex and Postage	17.44	16.21
	Advertisement and publicity	7.97	16.36
	Entertainment and hospitality expenses	0.42	0.50

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	Printing and stationery	4.66	4.63
	Consultancy charges	13.81	14.74
	Audit expenses **(Refer Note 29.3)**	2.83	1.96
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	10.69	116.36
	Expenditure on land not belonging to company	3.05	9.59
	Loss on Assets (Net)	2.51	-
	Losses out of insurance claims	46.21	72.89
	Donation	-	1.00
	Corporate social responsibility **(Refer Note 34(14))**	126.43	17.58
	Directors' Sitting Fees	0.17	0.26
	Interest on Arbitration/ Court Cases	3.66	0.01
	Interest to beneficiary	77.00	-
	Expenditure on Self Generated VER's/REC	0.10	0.27
	Exchange rate variation (Net)	49.75	-
	Training Expenses	8.52	6.77
	Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/ IEX/PXIL	10.50	8.47
	Operational/Running Expenses of Kendriya Vidyalay	5.44	29.57
	Operational/Running Expenses of Other Schools	0.56	3.03
	Operational/Running Expenses of Guest House/Transit Hostel	21.47	19.47
	Operating Expenses of DG Set-Other than Residential	7.70	6.89
	Other general expenses	28.65	37.63
	Sub-total	**1,437.54**	**1,255.69**
	Less: transferred to Expenditure Attributable to Construction	77.76	191.03
	Less: Recoverable from Deposit Works	-	0.04
	Less: Transfer to General Reserve for Expenses on Buyback	-	6.20
	Sub-total (i)	**1,359.78**	**1,058.42**
C.	**PROVISIONS/ IMPAIRMENT ALLOWANCE**		
	Allowance for Bad and doubtful advances / deposits	-	0.01
	Allowance for Bad and doubtful Recoverables	-	2.99
	Allowance for Doubtful Interest	-	4.79
	Allowance for stores and spares/ Construction stores	0.16	2.94
	Allowance for Shortage in store & spares provided	0.06	-
	Allowance for Project expenses	154.73	60.52
	Allowance for fixed assets/ stores	0.28	0.10
	Interest to Beneficiary **(Refer Note 29.2)**	-	38.00
	Sub-total	**155.23**	**109.35**
	Less: transferred to Expenditure Attributable to Construction	0.06	2.24
	Sub-total (ii)	**155.17**	**107.11**
	TOTAL (i+ii)	**1,514.95**	**1,165.53**

29.1 Disclosure about leases are given in Note 34 (16) (A).

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
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.	-	38.00

(₹ in Crore)

29.3	**Detail of audit expenses are as under: -**	**For the Year ended 31st March, 2020**	**For the Year ended 31st March, 2019**
	i) Statutory auditors		
	As Auditor		
	Audit Fees	0.79	0.61
	Tax Audit Fees	0.22	0.16
	In other Capacity		
	Taxation Matters	-	0.02
	Other Matters/services	1.00	0.44
	Reimbursement of expenses	0.55	0.51
	ii) Cost Auditors		
	Audit Fees	0.24	0.20
	Reimbursement of expenses	0.03	0.02
	Total Audit Expenses (Including Goods and Services Tax)	**2.83**	**1.96**

29.4	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	15.08	Nil
(ii)	Expenditure on long term lease of low-value assets	0.14	Nil
(iii)	Variable lease payments not included in the measurement of lease liabilities	5.61	Nil
29.5	Impact of Ind AS 116 “Leases” on Statement of Profit and Loss. **(Refer Note 34(28))**	0.22	-

29.6 Total includes ₹ 70.44 Crore (Previous year ₹ 58.83 Crore) relating to Subansiri Lower Project as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 16.27 Crore (Previous year ₹ 16.54 Crore) pertaining to Subansiri Lower Project 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, 2020	For the Year ended 31st March, 2019
	Current Tax		
	Provision for Current Tax	581.27	696.15
	Adjustment Relating To Earlier periods	21.13	(46.37)
	Total current tax expenses	**602.40**	**649.78**
	Deferred Tax		
	Decrease (increase) in deferred tax assets		
	- Relating to origination and reversal of temporary differences	(42.01)	133.43
	Increase (decrease) in deferred tax liabilities		
	- Relating to origination and reversal of temporary differences	40.61	331.02
	Total deferred tax expenses (benefits)	(1.40)	464.45
	Net Deferred Tax	**(1.40)**	**464.45**
	Total	**601.00**	**1,114.23**
30.1.1	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.**	**For the Year ended 31st March, 2020**	**For the Year ended 31st March, 2019**
	Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance	3,608.17	3,744.78
	Applicable tax rate (%)	34.9440	34.9440
	Computed tax expense	**1,260.84**	**1,308.58**
	Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
	Non Deductible Tax Expenses	45.17	6.59
	Tax Exempt Income	(173.20)	(100.70)
	Tax Incentives (80-IA Deductions)	(773.13)	(620.02)
	Adjustment for current tax of earlier periods	-	(46.37)
	Minimum Alternate Tax Adjustments	220.19	566.15
	Adjustment Relating To earlier periods	21.13	-
	Income tax expense reported in Statement of Profit and Loss	**601.00**	**1,114.23**
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	-	-
	Deferred tax	-	-
	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)**	2,196.82	2,040.81
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 2020		As at 31st March 2019	
	Amount	Year of Expiry	Amount	Year of Expiry
2019-20	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	**2196.82**		**2040.81**	

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, 2020	For the Year ended 31st March, 2019
(i) Items that will not be reclassified to profit or loss		
(a) Remeasurement of the post employment defined benefit obligations	57.66	1.77
Less: Deferred Tax on remeasurement of the post employment defined benefit obligations	20.15	0.62
Remeasurement of the post employment defined benefit obligations (net of Tax)	**37.51**	**1.15**
Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations	8.14	(0.55)
Remeasurement of the post employment defined benefit obligations (net of Tax) and Regulatory deferral account balances (a)	**29.37**	**1.70**
(b) Investment in Equity Instruments	(42.09)	(16.48)
Less: Income Tax on Equity Instruments	-	-
Sub total (b)	**(42.09)**	**(16.48)**
Total (i)=(a)+(b)	**(12.72)**	**(14.78)**
(ii) Items that will be reclassified to profit or loss		
Investment in Debt Instruments	15.77	3.09
Less: Income Tax on investment in Debt Instruments	3.67	0.72
Total (ii)	**12.10**	**2.37**
Total =(i+ii)	**(0.62)**	**(12.41)**

NOTE NO. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in crore)

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	Movement in Regulatory Deferral Account Balances on account of:-		
(i)	Subansiri Lower Project:-		
a)	Employee Benefits Expense	35.60	20.68
b)	Other Expenses	16.27	16.54
c)	Depreciation and Amortization Expense	3.59	1.77
d)	Finance Costs	157.61	76.78
e)	Other Income	(9.82)	(21.24)
	Sub Total (i)	**203.25**	**94.53**
(ii)	Wage Revision as per 3rd Pay Revision Committee	-	203.85
(iii)	Kishanganga Power Station:-Depreciation due to moderation of Tariff	195.62	171.98
(iv)	Exchange Differences on Monetary Items	0.99	(0.57)
(v)	Adjustment against Deferred Tax Recoverable for tariff period upto 2009	(125.71)	(137.30)
(vi)	Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.	69.46	490.91
	TOTAL (i)+(ii)+(iii)+(iv+(v)+(vi)	**343.61**	**823.40**
	Impact of Tax on Regulatory Deferral Accounts		
	Less: Deferred Tax on Regulatory Deferral Account Balances	19.66	(254.90)
	Add: Deferred Tax recoverable from Beneficiaries	19.66	(254.90)
	TOTAL	**343.61**	**823.40**

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, 2020	For the Year ended 31st March, 2019
A.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	120.70	127.94
	Contribution to provident and other funds	16.12	20.81
	Staff welfare expenses	5.04	4.53
	Sub-total	**141.86**	**153.28**
B.	**FINANCE COSTS**		
	Interest on : **(Refer Note 2.2.1)**		
	Bonds	564.44	349.92
	Foreign loan	3.56	-
	Term loan	55.59	15.41
		623.59	**365.33**
	Exchange differences regarded as adjustment to interest cost	14.15	-
	Loss on Hedging Transactions	22.01	-
	Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest	-	1.44
	Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	1.73	1.18
	Transfer of expenses to EAC- Interest on FC Loans - Effective Interest Adjustment	0.09	-
	Sub-total	**661.57**	**367.95**

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
C.	**DEPRECIATION AND AMORTISATION EXPENSES**	27.53	7.18
	Sub-total	**27.53**	**7.18**
D.	**OTHER EXPENSES**		
	Repairs And Maintenance :		
	-Building	5.96	3.85
	-Machinery	0.91	0.03
	-Others	7.42	3.48
	Rent & Hire Charges	9.36	7.74
	Rates and taxes	2.33	1.40
	Insurance	2.58	0.25
	Security expenses	19.26	22.97
	Electricity Charges	3.95	3.19
	Travelling and Conveyance	2.55	2.51
	Expenses on vehicles	0.69	0.72
	Telephone, telex and Postage	1.61	2.13
	Advertisement and publicity	0.01	0.27
	Printing and stationery	0.29	0.35
	Design and Consultancy charges	2.90	2.11
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	0.20	115.72
	Expenditure on land not belonging to company	0.25	6.94
	Land Acquisition and Rehabilitation Expenditure	-	0.15
	Other general expenses	6.32	8.04
	Exchange rate variation (Debit)	0.26	-
	Sub-total	**66.85**	**181.85**
E.	**PROVISIONS**	0.06	2.24
	Sub-total	**0.06**	**2.24**
F.	**CORPORATE OFFICE/REGIONAL OFFICE EXPENSES**		
	Other Income	(1.06)	(0.97)
	Other Expenses	10.91	9.18
	Employee Benefits Expense	114.94	139.77
	Depreciation & Amortisation Expenses	2.22	1.71
	Finance Costs	0.22	0.16
	Sub-total	**127.23**	**149.85**
G.	**LESS: RECEIPTS AND RECOVERIES**		
	Income from generation of electricity – precommissioning	25.56	9.17
	Interest on loans and advances	15.92	6.46
	Profit on sale of assets	0.05	-
	Exchange rate variation (Credit)	0.66	-
	Provision/Liability not required written back	110.45	0.35
	Miscellaneous receipts	0.54	4.59
	Sub-total	**153.18**	**20.57**
	TOTAL (A+B+C+D+E+F-G) (Refer Note 2.2)	**871.92**	**841.78**

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, 2020			As at 31st March, 2019		
		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		46.57	-		88.66	-
b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted	3.1		417.56	-		401.54	-
Sub-total			**464.13**	**-**		**490.20**	**-**
(ii) Trade Receivables	3.2			-			61.51
(iii) Loans							
a) Deposits	3.3			22.45			21.49
b) Employees	3.3			100.40			104.92
c) Loan to Government of Arunachal Pradesh (Including interest accrued)	3.3			675.80			620.00
(iv) Others							
-Lease Receivables including interest	3.4			1,384.63			1,449.61
-Recoverable on account of Bonds fully Serviced by Government of India	3.4			2,017.20			2,017.20
- Derivative MTM Asset	3.4	33.71			-		
- Others inluding Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4			0.37			0.35
Total Non-current Financial assets		**33.71**	**464.13**	**4,200.85**	**-**	**490.20**	**4,275.08**
Current Financial assets							
(i) Trade Receivables	7			3,818.34			2,623.09
(ii) Cash and cash equivalents	8			8.87			12.04
(iii) Bank balances other than Cash and Cash Equivalents	9			380.25			378.59
(iv) Loans	10						
- Employee Loans				39.28			38.56

Financial assets	Notes	As at 31st March, 2020			As at 31st March, 2019		
		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
- Loans to Joint Venture (National High Power Test Laboratory (P) Limited)				6.27			6.00
-Deposits				0.48			0.62
(v) others (Excluding Lease Receivables)	11			2,648.14			1,927.59
(vi) others (Lease Receivables including interest)	11			51.60			56.67
Total Current Financial Assets			-	**6,953.23**		-	**5,043.16**
Total Financial Assets		**33.71**	**464.13**	**11,154.08**		**490.20**	**9,318.24**

Financial Liabilities	Notes	As at 31st March, 2020			As at 31st March, 2019		
		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			20,878.66			17,044.63
(ii) Long term maturities of lease obligations	16.1			11.08			-
(iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2			2,059.23			2,058.64
(iv) Borrowing -Short Term	20.1			714.31			406.00
(v) Trade Payables including Micro, Small and Medium Enterprises	20.2			304.26			180.18
(vi) Other Current financial liabilities							
a) Current maturities of long term borrowings	20.3			1,616.95			1,605.16
b) Current maturities of lease obligations	20.3			2.83			-
c) Interest Accrued but not due on borrowings	20.3			643.10			584.98
d) Other Current Liabilities	20.3			616.82			656.78
Total Financial Liabilities				**26,847.24**			**22,536.37**

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, 2020			As at 31st March, 2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI							
(i) Investments-							
- In Equity Instrument (Quoted)	3.1	46.57			88.66		
- In Debt Instruments (Government/ Public Sector Undertaking)- Quoted *	3.1	417.56			401.54		
Financial Assets at FVTPL :							
(i) Derivative MTM Asset (Call spread option and Coupon only swap)			33.71				-
Total		**464.13**	**33.71**	**-**	**490.20**	**-**	**-**

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, 2020			As at 31st March, 2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Trade Receivables	3.2		-			61.51	
(ii) Loans							
a) Employees	3.3		117.29			113.12	
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3		675.80			620.00	

PARTICULARS	Note No.	As at 31st March, 2020			As at 31st March, 2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
c) Deposits	3.3			22.45			21.49
(ii) Others							
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4		0.37			0.35	
-Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20			2,017.20		
Total Financial Assets		**2,017.20**	**793.46**	**22.45**	**2,017.20**	**794.98**	**21.49**
Financial Liabilities							
(i) Long-term borrowings including current maturities and accrued interest	16.1 & 20.3	16,161.49	3,444.70	2,654.45	13,863.26	2,596.46	2,054.78
(ii) Long term & Short term maturities of lease obligations	16.1 & 20.3	-	-	13.91	-	-	-
(iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	2,017.20		46.99	2,017.20		42.24
Total Financial Liabilities		**18,178.69**	**3,444.70**	**2,715.35**	**15,880.46**	**2,596.46**	**2,097.02**

(c) Fair value of Financial Assets and liabilities measured at Amortised Cost

(₹ in Crore)

Particulars	Note No.	As at 31st March, 2020		As at 31st March, 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
(i) Trade Receivables	3.2	-	-	61.51	61.51
(ii) Loans					
a) Employees	3.3	100.40	117.29	104.92	113.12
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3	675.80	675.80	620.00	620.00
c) Deposits	3.3	22.45	22.45	21.49	21.49
(ii) Others					
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4	0.37	0.37	0.35	0.35
-Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20	2,017.20	2,017.20	2,017.20
Total Financial Assets		**2,816.22**	**2,833.11**	**2,825.47**	**2,833.67**

Particulars	Note No.	As at 31st March, 2020		As at 31st March, 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities					
(i) Long-term borrowings including Current maturities and accrued interest	16.1 & 20.3	23,138.71	22,260.65	19,234.77	18,514.50
(ii) Long term & Short term maturities of lease obligations	16.1 & 20.3	13.91	13.91	-	-
(iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	2,059.23	2,064.19	2,058.64	2,059.44
Total Financial Liabilities		**25,211.85**	**24,338.75**	**21,293.41**	**20,573.94**

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 2. Refinancing 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. 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 deemed lease as per Appendix C of Ind AS 17- '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, 2020	As at 31st March, 2019
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments (Other than Subsidiaries and Joint Ventures)	464.13	490.20
Loans -Non Current (including interest)	798.65	746.41
Other Non Current Financial Assets	2,017.57	2,017.55
Cash and cash equivalents	8.87	12.04
Bank balances other than Cash and Cash Equivalents	380.25	378.59
Loans -Current	46.03	45.18
Other Financial Assets (Excluding Lease Receivables)	2,648.14	1,927.59
Total (A)	**6,363.64**	**5,617.56**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	3,818.34	2,684.60
Lease Receivables (Including Interest)	1,436.23	1,506.28
Total (B)	**5,254.57**	**4,190.88**
TOTAL (A+B)	**11,618.21**	**9,808.44**

(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 year was as follows:

(₹ in Crore)

	Trade Receivables	Amount Recoverable	Loans	Total
Balance as at 1.4.2018	**37.71**	**210.18**	**0.03**	**247.92**
Changes in Loss Allowances	-	(6.81)	(0.02)	(6.83)
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 31.3.2020	**37.71**	**285.72**	**0.01**	**323.44**

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, 2020	As at 31st March, 2019
At Floating Rate	925.00	819.00
Total	**925.00**	**819.00**

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, 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 Year & Less than 5 Years	More than 5 Year
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	6.96	2,057.50
Trade Payables	20.2	304.26	304.26	-	-	-
Total Financial Liabilities		**27,923.48**	**3,894.46**	**2,979.43**	**3,791.97**	**17,257.63**

As at 31st March, 2019 (₹ in Crore)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Note No.	Outstanding Debt as on 31.3.2019	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	19,889.53	2,011.17	3,006.08	3,205.12	11,667.16
Lease obligations	16.1 & 20.3	-	-	-	-	-
Other financial Liabilities	16.2 & 20.3	3,311.97	1,238.01	10.04	6.88	2,057.04
Trade Payables	20.2	180.18	180.18	-	-	-
Total Financial Liabilities		**23,381.68**	**3,429.36**	**3,016.12**	**3,212.00**	**13,724.20**

(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 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, 2020		As at 31st March, 2019	
	weighted average interest rate (%)	(₹ in Crore)	weighted average interest rate (%)	(₹ in Crore)
Floating Rate Borrowings (INR)	8.00	500.00	8.50	190.00
Fixed Rate Borrowings (INR)	8.07	20,106.61	8.30	17,340.99
Fixed Rate Borrowings (FC)	1.47	1,889.00	1.97	1,118.79
Total		**22,495.61**		**18,649.78**

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/decrease 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, 2020		As at 31st March, 2019	
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	24.11	11.21	22.06	19.46
Indian Overseas Bank	22.83	0.06	15.75	0.08

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, 2020		As at 31st March, 2019	
	% change	Impact on other components of equity (₹ in Crore)	% change	Impact on other components of equity (₹ in Crore)
Government Securities	1.34	4.56	0.57	1.84
Public Sector Undertaking Tax Free Bonds	1.56	1.29	1.48	1.20

(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, 2020	As at 31st March, 2019
Financial Liabilities:		
Foreign Currency Loans		
Japan International Corporation LTD (JPY)	1,132.22	1,118.79
MUFG BANK (JPY)	756.77	-
Other Financial Liabilities	56.78	61.78
Net Exposure to foreign currency (liabilities)	**1,945.77**	**1,180.57**

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 beneficieries 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 sensitivity 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, 2020	As at 31st March, 2019
(a) Total Debt (₹ in Crore)	24,526.72	20,666.99
(b) Total Capital (₹ in Crore)	29,983.81	29,214.73
Gearing Ratio (a/b)	0.82	0.71

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.

During the year the company has complied with the above loan covenants.

(c) Dividends:

(₹ in Crore)

	As at 31st March, 2020	As at 31st March, 2019
(i) Equity Shares		
Final dividend for the year 2018-19 of INR 0.75 per fully paid share approved in Sep-2019 paid in Oct-2019. (31st March 2018- INR 0.28 fully paid share for FY 2017-18).	753.38	287.26
Dividend Distribution Tax on Final Dividend	101.29 *	1.97 *
Interim dividend for the year ended 31st March 2020 of INR 1.18 (31st March 2019- INR 0.71) per fully paid share.	1,185.31	713.20
Dividend Distribution Tax on Interim Dividend	197.49 *	146.60
(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 0.32 (31 st March 2019 - ₹ 0.75) per fully paid up Shares. The proposed dividend is subject to the approval of shareholders in the ensuring AGM.	321.44	753.38
Dividend Distribution Tax on Proposed Dividend	Nil	154.86

* 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 ₹ **10790.34 Crore** (Previous year ₹ **11040.11 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 ₹ **5004.96 Crore** (Previous year ₹ **4377.02 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 ₹ **395.89 Crore** (Previous year ₹ **418.98 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **10144.10 Crore** (Previous year ₹ **10494.10 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 ₹ **140.29 Crore** (Previous year ₹ **190.81 Crore**) before various authorities/ courts. Pending settlement, the Company has assessed and provided an amount of ₹ **3.26 Crore** (Previous year ₹ **4.32 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **137.04 Crore** (Previous year ₹ **186.49 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 ₹ **760.39 Crore** (Previous year ₹ **639.67 Crore**). Pending settlement, the Company has assessed and provided an amount of ₹ **17.70 Crore** (Previous year ₹ **23.50 Crore**) based on probability of outflow of resources embodying economic benefits and ₹ **641.68 Crore** (Previous year ₹ **515.17 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 ₹ **611.98 Crore** (Previous year ₹ **728.93 Crore**). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ **17.81 Crore** (Previous year ₹ **17.81 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **592.29 Crore** (Previous year ₹ **709.25 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 31.03.2020	up to date Provision against the claims	Contingent liability as on 31.03.2020	Contingent liability as on 31.03.2019	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2019
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	10,790.34	395.89	10,144.10	10494.10	(350.00)	1,417.06
2.	Land Compen-sation cases	140.29	3.26	137.04	186.49	(49.45)	83.55
3.	Disputed tax matters	760.39	17.70	641.68	515.17	126.51	0.04
4.	Others	611.98	17.81	592.29	709.25	(116.96)	157.13
	Total	**12,303.00**	**434.66**	**11,515.11**	**11905.01**	**(389.90)**	**1,657.78**

(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 ₹ **365.26 Crore** (Previous year ₹ **396.38 Crore**) towards above Contingent Liabilities.

(e) (i) An amount of ₹ **697.09 Crore** (Previous year ₹ **617.39 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 underOther Non-Current Assets (Also refer Note No. 5).

(ii) An amount of ₹ **1323.72 Crore** (Previous year ₹ **454.98 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. 5and 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 31.03.2020 are as under:

(₹ in Crore)

Sl. No.	Category of Agency	Claims as on 31.03.2020	up to date Provision against the claims	Contingent liability as on 31.03.2020	Contingent liability as on 31.03.2019	Addition(+)/ deduction (-) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2019
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1	Central Government departments	173.00	0.83	71.17	53.09	18.08	0.04
2	State Government departments or Local Bodies	607.08	33.95	573.13	463.21	109.92	-
3	Central Public Sector Enterprises (CPSEs)	101.21	0.06	100.36	100.93	(0.57)	0.57
4	Others	11,421.71	399.82	10,770.45	11287.78	(517.33)	1,657.17
	TOTAL	**12,303.00**	**434.66**	**11,515.11**	**11,905.01**	**(389.90)**	**1,657.78**

(h) The Government of Sikkim vide letter dated 2nd August 2019 has raised demand on Teesta-V Power Station for ₹ 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 ₹ **915.84 Crore** (Previous year ₹ **875.05 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 ₹ **803.37 Crore** (Previous year ₹ **780.09 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 ₹ **239.48 Crore** (previous year ₹ **109.35 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 and Tariff order for 2014-19 is pending in respect of TLDP-IV Power Station. Management has assessed that additional revenue of ₹ **545.31 Crore** (Previous year ₹ **1246.79 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 ₹ **210.05 Crore** (Previous Year ₹ **202.26 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 ₹ **374.59 Crore** (Previous year ₹ **157.18 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 31.03.2020	As at 31.03.2019
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	2365.46	2689.01
2.	Intangible Assets	-	0.64
	Total	**2365.46**	**2689.65**

(b) The Company has commitments of ₹ **1113.25 Crore** (Previous year ₹ **99.33 Crore**) towards further investment in the subsidiary companies as at 31st March, 2020.

(c) The Company has commitments of ₹ **1345.64 Crore** (Previous year ₹ **1284.97 Crore**) towards further investment in the joint venture companies as at 31st March, 2020.

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 ₹ **0.41 Crore** (Previous year ₹ **4.06 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	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**
India	8,301.03	8,095.13	23.58	17.69	239.47	12.96	167.03	29.24	8,731.11	8,155.02
Others			4.30	6.16	-	-	-	-	4.30	6.16
Total	**8,301.03**	**8,095.13**	**27.88**	**23.85**	**239.47**	**12.96**	**167.03**	**29.24**	**8,735.41**	**8,161.18**
Timing of revenue recognition: Products and services transferred over time	8,301.03	8,095.13	27.88	23.85	239.47	12.96	167.03	29.24	8,735.41	8,161.18
Units Sold (MU)	22903	21457	-	-	-	-	-	-	22903	21457

(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, 2020		As at 31st March, 2019	
	Current	Non-Current	Current	Non-Current
Trade Receivables	3,818.34	-	2,623.09	61.51
Unbilled Revenue	2,146.83	-	1,501.73	-
Contract Liabilities- Deposit Works	9.37	-	19.96	-
Contract Liabilities- Project Management/ Consultancy Work	268.49	-	196.82	-
Advance from Customers and Others	11.70	-	12.19	-

The Company has recognised revenue of ₹ **3.63 Crore** (Previous Year ₹ **5.41 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 costs of obtaining contracts with a customer and has therefore, not recognised any asset for such costs.

6. The effect of foreign exchange rate variation(FERV) during the year are as under:

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	Amount charged to Statement of Profit and Loss as FERV	49.75	(3.18)
(ii)	Amount charged to Statement of Profit and Loss as Borrowing Cost*	143.79	22.69
(iii)	Amount recognised in Regulatory Deferral Account Balances	0.99	(0.57)

* 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 ₹ **4810.80 Crore** (Previous year ₹ **4632.03 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 31.03.2020	For the year ended 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Uttar Pradesh Power Corporation Limited.	1616.62	1476.40	18.51%	18.12%
2	Power Development Department, Jammu & Kashmir Govt./ JK Power Corporation Limited	1479.07	1,380.28	16.93%	16.94%
3	West Bengal State Electricity Board	865.67	908.55	9.91%	11.15%
4	Punjab State Power Corporation Limited	849.44	866.80	9.72%	10.64%
	Total	**4810.80**	**4632.03**	**55.07%**	**56.85%**

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 31.03.2020	For the year ended 31.03.2019
1	Bhutan	4.30	6.16
	Total	**4.30**	**6.16**

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	Principal place of operation
NHDC Limited	India
Loktak Downstream Hydroelectric Corporation Limited (LDHCL)	India
Bundelkhand Saur Urja Limited (BSUL)	India
Lanco Teesta Hydro Power Limited (LTHPL) with effect from 09.10.2019	India

(ii) Joint Ventures:

Name of Companies	Principal 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(Joined on 24.02.2020)
2	Shri Balraj Joshi	Chairman and Managing Director (Superannuated on 31.12.2019)
3	Shri Ratish Kumar	Director (Projects), (Additional Charge of Chairman and Managing Director from 01.01.2020 to 23.02.2020)
4	Shri Nikhil Kumar Jain	Director (Personnel)
5	Shri Mahesh Kumar Mittal	Director (Finance) and CFO

Sl. No.	Name	Position Held
6	Shri Janardan Choudhary	Director (Technical)
7	Shri Aniruddha Kumar	Govt. Nominee Director
8	Shri Bhagwat Prasad	Independent Director
9	Shri Jugal Kishore Mohapatra	Independent Director
10	Prof. (Smt.) Kanika T. Bhal	Independent Director (Retired on 17.11.2019)
11	Shri Satya Prakash Mangal	Independent Director (Retired on 17.11.2019)
12	Prof. Arun Kumar	Independent Director (Retired on 17.11.2019)
13	Shri Vijay Gupta	Company Secretary

(iv) Post-Employment Benefit Plans :

Name of Related Parties	Principal place of operation
NHPC Ltd. Employees Provident Fund	India
NHPC Ltd. Employees Group Gratuity Assurance Fund	India
NHPC Ltd. Retired Employees Health Scheme Trust	India
NHPC Employees Social Security Scheme Trust	India
NHPC Ltd. Employees Defined Contribution Superannuation Scheme Trust	India
NHPC Ltd. 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, DamodarVally 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 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Services provided by the Company		
• NHDC	0.53	0.62
• BSUL	0.02	0.01
• LDHCL	0.28	0.58
• LTHPL	3.09	-

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Dividend received by the company		
• NHDC	485.17	277.67
Equity contributions by the company		
• BSUL	1.00	-
• LDHCL	3.20	-
• LTHPL	920.50	-
Reimbursement of Cost of employee on deputation		
• NHDC	2.56	1.17
• BSUL	0.19	-
• LDHCL	0.41	0.24
• LTHPL	0.98	-
Other Reimbursement by the Company		
• LTHPL	5.45	-

(ii) Transactions with Joint Ventures

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Services Provided by the Company		
• CVPPL	20.25	19.13
Equity contributions by the company		
• CVPPL	140.45	100.00
Deputation of Employees by the Company		
• CVPPL	3.25	2.84
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 31.03.2020	For the year ended 31.03.2019
Short Term Employee Benefits	4.76	3.70
Post-Employment Benefits	0.72	0.77
Other Long Term Benefits	0.28	0.18

(₹ in crore)

Other Transactions with KMP	For the year ended 31.03.2020	For the year ended 31.03.2019
Sitting Fees and other reimbursements to non-executive/independent directors	0.24	0.44
Interest Received during the year	0.01	0.02

(iv) Transactions with other related parties- Post Employment Benefit Plans

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Contribution to EPF Trust	460.70	337.29
Contribution to Gratuity Trust/(Net of Refund from Trust)	(83.60)	(59.20)
Contribution to REHS Trust/(Net of Refund from Trust)	(88.83)	1.22
Contribution to Social Security Scheme Trust	6.62	7.20
Contribution to EDCSS Trust	194.50	125.42
Contribution to Leave Encashment/ (Net of Refund from Trust)	34.14	27.12

(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 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Services Received by the Company	333.19	291.78
Services Provided by the Company	1.94	0.41
Sale of goods/Inventory made by the Company	27.61	27.54
Purchase of goods/Inventory	-	1.79
Dividend Paid during the year	1393.41	738.15
Subordinate Debts received by the company	554.64	482.00
Guarantee Fee on Foreign Loans to Govt. of India	13.43	18.61
Buy-Back of Shares by Group from Govt. of India	-	142.27
Grant Received from MNRE (Through SECI)	-	12.50
8.12% NHPC GOI Fully Serviced Bonds issued on mandate of MOP and paid to GOI (including Interest received from GOI)	164.01	2021.69

(vi) Transactions with entities controlled by the Government that has control over the Company

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Purchase of property/Other assets	87.79	52.52
Purchase of goods/Inventory	36.48	32.66
Services Received by the Company	188.64	101.88
Services Provided by the Company	1.64	1.43
Sale of goods/Inventory made by the company	79.21	75.67
Settlement of claim/Amount received by the company against Insurance Claims	56.39	52.92

(C) Outstanding balances and guarantees with Related Parties:

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
(i)	(ii)	(iii)
Balances with Subsidiaries (NHDC, LDHCL, BSUL and LTHPL)		
• Receivables	9.11	1.26
• Payables	5.44	-
Balances with Joint Ventures (CVPPL and NHPTL)		
• Receivables	42.94	95.46
• Loan Outstanding (including interest accrued)	6.27	6.00
Balances with KMP		
• Receivables	0.05	0.05
Balances with Trust created for post- employment benefit plans of NHPC		
Receivable		
• Gratuity Trust	40.30	77.98
• REHS Trust	135.52	-
Payable		
• EPF Trust	28.00	142.91
• REHS Trust	-	2.42
• Social Security Scheme Trust	0.52	0.57
• EDCSS Trust	9.97	81.55
• Leave Encashment Trust	1.78	38.51
Balances with Government that has control over the Company		
• Payables	77.37	80.82
• Receivables	2072.52	2052.78
• Loan from Government (Subordinate debts)	4741.21	4209.69
Guarantee Received from Government (Against Foreign Currency Borrowing)	1132.22	1118.79
Balances with Entities controlled by the Government that has control over the Company		
• Payables	60.65	46.26
• Receivables	90.23	116.95
• Balances Out of Commitments	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 Rs 6.00 crore (Previous Year Rs. 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 31.03.2020 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 31.03.2020	As at 31.03.2019
	First Charge		
1	Property, Plant and Equipment	11617.29	10190.38
2	Capital Work In Progress	7898.75	7429.43
	Total	**19516.04**	**17619.81**

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 for another 5 years i.e. up to 31.05.2020. 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 ₹ **3.27 Crore** (Previous year ₹ **3.57 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 ₹ **80.87 Crore** (Previous year ₹ **121.21 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 2019-20 and 2018-19 are as follows:

(₹ 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)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**2425.20**	**2444.86**	**(19.66)**
Current Service Cost	91.15	-	91.15
Interest Expenses/ (Income)	186.74	186.74	0.00
Total	**277.89**	**186.74**	**91.15**
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(Income)	-	22.80	(22.80)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	0.03	-	0.03
Experience (gains)/Losses	(29.21)	-	(29.21)
Total	**(29.18)**	**22.80**	**(51.98)**
Contributions:-			
-Employers	-	91.15	(91.15)
-Plan participants	261.29	261.29	-
Benefit payments	(383.08)	(383.08)	-
Closing Balance as at 31.03.2019	**2552.12**	**2623.76**	**(71.64)**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Present Value of funded obligations	2870.09	2552.12
Fair value of Plan Assets	2884.12	2623.76
Deficit/(Surplus) of funded plans	**(14.03)**	**(71.64)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(14.03)**	**(71.64)**

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 ₹ **14.03 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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	0.0059%	0.0046%	Increase by	0.0061%	0.0047%

(ii) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2020 and 31.03.2019 along with the movements in the net defined benefit obligation during the years 2019-20 and 2018-19 are as follows:

(₹ 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)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**705.04**	**587.20**	**117.84**
Current Service Cost	20.87	-	20.87
Interest Expenses/ (Income)	54.29	45.21	9.08
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**75.16**	**45.21**	**29.95**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	3.96	(3.96)
(Gain)/loss from change in demographic assumptions	(0.24)	-	(0.24)
(Gain)/loss from change in financial assumptions	5.55	-	5.55
Experience (gains)/Losses	(13.95)	-	(13.95)
Total Amount recognised in Other Comprehensive Income	**(8.64)**	**3.96**	**(12.60)**

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
Contributions:-			
-Employers	-	200.66	(200.66)
-Plan participants	-	-	-
Benefit payments	(97.98)	(95.83)	(2.15)
Closing Balance as at 31.03.2019	**673.58**	**741.20**	**(67.62)**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Present Value of funded obligations	644.12	673.58
Fair value of Plan Assets	673.86	741.20
Deficit/(Surplus) of funded plans	**(29.74)**	**(67.62)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(29.74)**	**(67.62)**

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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	3.08%	2.87%	Increase by	3.28%	3.06%
Salary growth rate	0.50%	0.50%	Increase by	0.44%	0.55%	Decrease by	0.51%	0.66%

(iii) Retired Employees Health Scheme (REHS): The amount recognised in the Balance Sheet as at 31.03.2020and 31.03.2019 along with the movements in the net defined benefit obligation during the years 2019-20 and 2018-19 are as follows:

(₹ 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)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
(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)**
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)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**786.92**	**785.32**	**1.60**
Current Service Cost	15.59	-	15.59
Interest Expenses/ (Income)	60.59	60.47	0.12
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**76.18**	**60.47**	**15.71**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	6.95	(6.95)
(Gain)/loss from change in demographic assumptions	(0.92)	-	(0.92)
(Gain)/loss from change in financial assumptions	15.96	-	15.96
Experience (gains)/Losses	3.38	-	3.38
Total Amount recognised in Other Comprehensive Income	**18.42**	**6.95**	**11.47**
Contributions:-			-
-Employers	-	26.71	(26.71)
-Plan participants	-	-	-
Benefit payments	(23.76)	(23.76)	-
Closing Balance as at 31.03.2019	**857.76**	**855.69**	**2.07**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Present Value of funded obligations	842.87	857.76
Fair value of Plan Assets	978.64	855.69
Deficit/(Surplus) of funded plans	**(135.77)**	**2.07**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(135.77)**	**2.07**

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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	6.75%	6.73%	Increase by	6.81%	6.81%
Medical cost rate	0.50%	0.50%	Increase by	6.82%	6.88%	Decrease by	6.75%	6.75%

(iv) Allowances on Retirement/Death: The amount recognised in the Balance Sheet as at 31.03.2020 and 31.03.2019 along with the movements in the net defined benefit obligation during the years 2019-20 and 2018-19 are as follows:

(₹ 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	(0.002)	-	(0.002)
(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**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**4.98**	**-**	**4.98**
Current Service Cost	0.20	-	0.20
Interest Expenses/ (Income)	0.38	-	0.38

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
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	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	0.06	-	0.06
Experience (gains)/Losses	(0.65)	-	(0.65)
Total Amount recognised in Other Comprehensive Income	**(0.60)**	**-**	**(0.60)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.07)	-	(0.07)
Closing Balance as at 31.03.2019	**4.89**	**-**	**4.89**

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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	4.49%	3.55%	Increase by	5.66%	3.82%
Cost Increase	0.50%	0.50%	Increase by	5.91%	3.88%	Decrease by	4.78%	3.59%

(v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2020 and 31.03.2019 along with the movements in the net defined benefit obligation during the years 2019-20 and 2018-19 are as follows:

(₹ 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**

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
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 31.03.2020	**3.38**	**-**	**3.38**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**2.17**	**-**	**2.17**
Current Service Cost	1.68	-	1.68
Interest Expenses/ (Income)	0.17	-	0.17
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**1.85**	**-**	**1.85**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	0.03	-	0.03
Experience (gains)/Losses	(0.18)	-	(0.18)
Total Amount recognised in Other Comprehensive Income	**(0.16)**	**-**	**(0.16)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.29)	-	(0.29)
Closing Balance as at 31.03.2019	**3.57**	**-**	**3.57**

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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	4.59%	4.87%	Increase by	4.85%	5.17%

(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:

Particulars	31st March 2020	31st March 2019
Discount Rate	6.78%	7.56%
Salary growth rate	6.50%	6.50%

(d) The major categories of Plan Assets are as follows:

Provident Fund:

(₹ 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
LIC	-	-	**-**	-
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**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1505.84	-	**1505.84**	57.39
Corporate Bonds	975.08	-	**975.08**	37.17
Investment Funds				
Mutual Funds	58.84	-	**58.84**	2.24
LIC	-	-	**-**	-
Cash and Cash Equivalents	**-**	**10.78**	**10.78**	**0.41**
Accrued Interest	**73.22**	**-**	**73.22**	**2.79**
Total	**2612.98**	**10.78**	**2623.76**	**100.00**

Gratuity

(₹ 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**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	741.20	**741.20**	100.00
Cash and Cash Equivalents	-	0.00	**0.00**	0.00
Total	**-**	**741.20**	**741.20**	**100.00**

Retired Employees Health Scheme (REHS):

(₹ 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**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	-	-	**-**	-
Corporate Bonds	739.05	-	**739.05**	86.37
LIC Scheme	**-**	**88.69**	**88.69**	**10.37**
Cash and Cash Equivalents	-	0.46	**0.46**	0.05
Accrued Interest	27.47	-	**27.47**	3.21
Total	**766.52**	**89.15**	**855.67**	**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 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 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, 2021 are ₹ **142.78 Crore**.

The weighted average duration of the defined benefit obligations is 10.15 Years (2018-2019 : 10.14 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
31.03.2020	492.66	970.83	439.60	967.00	2870.09
31.03.2019	427.00	904.35	432.71	788.06	2552.12

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
31.03.2020					
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**
31.03.2019					
Gratuity	105.95	72.76	97.02	397.85	673.58
Post-employment Medical Benefits (REHS)	36.25	38.06	128.18	655.26	857.75
Allowances on Retirement/Death	0.64	0.59	1.32	2.34	4.89
Memento to employees on attaining the age of superannuation	0.56	0.50	0.99	1.52	3.57
TOTAL	**143.40**	**111.91**	**227.51**	**1056.97**	**1539.79**

(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 ₹ **101.02 Crore** (31st March 2019: ₹ **63.08 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 31.03.2020	For the year ended 31.03.2019
a)	Expenditure in Foreign Currency		
	i) Interest	25.29	21.37
	ii) Other Misc. Matters	81.28	83.49
b)	Value of spare parts and Components consumed in operating units.		
	i) Imported	-	-
	ii) Indigenous	18.74	21.54

12. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	2.65	1.77
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	2.99	2.57
Par value per share (₹)	10	10

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	2663.56	1807.15
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	3007.17	2630.55

c) Reconciliation of weighted average number of shares used as denominator :

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Weighted Average number of equity shares used as denominator	10045034805	10218811713

13. Disclosure related to Confirmation of Balances is as under :

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors 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, 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, 2019. Status of confirmation of balances as at December 31, 2019 as well as amount outstanding as on 31.03.2020 is as under:

(₹ in Crore)

Particulars	Outstanding amount as on 31.12.2019	Amount confirmed	Outstanding amount as on 31.03.2020
Trade receivable	3778.81	213.66	3818.34
Deposits, Advances to contractors/ suppliers/service providers/ others including for capital expenditure and material issued to contractors	841.63	315.57	828.82
Trade/ Other payables	339.99	57.67	612.81
Security Deposit/ Retention Money payable	155.26	26.07	116.21

(c) In the opinion of the management, unconfirmed balances will not have any material impact.

14. Disclosure related to Corporate Social Responsibility (CSR) (Refer Note 29)

(i) (a) 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 31.03.2020	For the year ended 31.03.2019
1	Health Care and Sanitation	16.29	6.68
2	Education and Skill Development	57.96	2.43
3	Women Empowerment/ Senior Citizen	0.36	0.21
4	Environment	3.31	0.55
5	Art and Culture	0.15	0.19
6	Ex-Armed Forces	1.00	-
7	Sports	0.43	0.29
8	Rural Development	9.00	5.01
9	Capacity Building	0.12	0.11
10	Swachh Vidyalaya Abhiyan	0.53	0.09
11	Swachh Bharat Abhiyan	6.26	2.02
12	Contribution to PM CARES Fund	25.00	-
13	Administrative Overhead	6.02	-
	Total Amount	**126.43**	**17.58**

(b) In addition to above, a sum of ₹ **15.00 Crore** has been paid towards Contribution to PM CARES Fund for Financial Year 2020-21 and shown as advance.

(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 31.03.2020			For the year ended 31.03.2019		
		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	12.96	1.52	14.48	5.02	0.32	5.34
(ii)	For purpose other than (i) above	109.61	2.34	111.95	11.70	0.54	12.24
	Total	**122.57**	**3.86**	**126.43**	**16.72**	**0.86**	**17.58**

(b) As stated above, a sum of ₹ **3.86 Crore** out of total expenditure of ₹ **126.43 crore** is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

(iii) As per Section 135 read with Section 198 of Companies Act 2013, the amount required to be spent towards CSR works out to ₹ **123.16 Crore** for financial year 2019-20 (based on 2% of average net profit of preceding three financial years including unspent amount of FY 2018-19).

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 31.03.2020	As at 31.03.2019
(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)	18.85	15.74
	-Interest	-	-
	b) Others:		
	-Principal(Refer Note 20.3)	8.88	4.85
	-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) Transition to Ind AS 116

With effect from 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method. Accordingly, comparatives for the year ended 31st March 2019 have not been restated.

The Company has recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate on the date of initial application and the right of use asset at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.On transition to Ind AS 116, the Company has recognised right of use assets and equivalent amount of lease liabilities amounting to ₹ **14.90 Crore**.

Further Land- Right to Use, Building- Right to Use and other assets amounting to ₹ **1252.78 Crore** have been classified/reclassified and presented as Right of Use assets on the Balance Sheet.

In the Statement of Profit and Loss for the current year, lease expenses have been classified from other expenses and employee benefit expenses to depreciation and amortization expenses for the right-of-use lease assets and finance cost for interest accrued on lease liability.

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 initial application.

d. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

e. The Company has elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease as per Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 7.85%.

There were no future minimum lease rental commitments in respect of non-cancellable operating leases as per Ind AS 17 as on March 31, 2019 as disclosed in Sl. No. 16 of Note No. 34 of Financial Statement for the Financial Year 2018-19. Accordingly, lease liabilities accounted as at April 1, 2019 due to transition to Ind AS 116 is substantially due to inclusion of present value of the lease payments for the cancellable term of these lease agreements.

(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 during the year ended 31.03.2020:

(₹ in Crore)

Sl. No	Description	31.03.2020
1	Expenditure on short-term leases	16.58
2	Expenditure on lease of low-value assets	0.14
3	Variable lease payments not included in the measurement of lease liabilities	5.61

(iv) Commitment for Short Term Leases as on 31.03.2020 is ₹ **4.30 Crore**.

(v) The following is the movement in lease liabilities during the year ended March 31, 2020:

(₹ in Crore)

Description	31.03.2020
Opening Balance	14.90
Additions in lease liabilities	2.28
Finance cost accrued during the year	1.17
Less:Payment of lease liabilities	4.45
Closing Balance	**13.91**

B) Finance Lease – Company as Lessor

The Company has entered into an 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 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). The Company has classified the Power Station as embedded Finance Lease as per Appendix-C to Ind AS 17- Leases. The Company has elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. 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 ₹ **203.65 Crore** during the year (previous year ₹ **208.28 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 31.03.2020:

(₹ in Crore)

Description	31.03.2020
Undiscounted lease payments receivable:	
Less than one year	248.21
One to two years	246.32
Two to three years	244.74
Three to four years	240.60
Four to five years	238.37
More than five years	4,399.83
Total undiscounted lease payments receivable	**5,618.06**
Less: Unearned finance income	4,183.74
Add: Discounted unguaranteed residual value	1.91
Net investment in the lease	**1,436.23**

Significant changes in the carrying amount of the net investment in finance leases

(₹ in Crore)

Description	31.03.2020
Opening Balances	1,506.28
Additions during the year	5.99
Income from Finance Lease for the year	203.65
Less:Amount received during the year	279.69
Closing Balances	**1,436.23**

Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year 31.03.2019 was as under:

(i) Gross investment in the Lease :

(₹ in Crore)

Description	31.03.2019
Within one year	257.95
After one year but not more than five years	987.15
More than five years	3935.52
Total	**5180.63**

(ii) Present value of minimum lease payments receivable:

(₹ in Crore)

Description	31.03.2019
Within one year	56.67
After one year but not more than five years	266.49
More than five years	1183.12
Total	**1506.28**

(iii) Reconciliation between the gross investment in the lease and the present value of minimum lease payments receivable is as follows:

(₹ in Crore)

Description	31.03.2019
Gross investment in Lease	5180.63
Adjustments:	
Less: Un-earned Finance Income	3483.75
Less: Unguaranteed residual value	190.60
Present value of Minimum Lease Payment (MLP)	**1506.28**

C) Operating Lease – Company as Lessor :

The Company has entered into an arrangement with West Bengal State Electricity Board for sale of power from TLDP-III and TLDP-IV power station for a period of 5 years and with Jodhpur Vidyut Vitran Nigam Limited 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. Accordingly, the Company has classified these Power Stations as Operating Leases as per Appendix-C to Ind AS 17- Leases. The Company has elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company has earned "Income from Operating Lease" for the yearof ₹ **666.57 Crore** during the year (previous year ₹ **748.61 Crore**).

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 31.03.2020 in respect of TLDP-IV Power Station till the date of Power purchase agreement:

(₹ in Crore)

Description	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**

Future minimum rentals receivable under non-cancellable operating leases at the end of Financial Year 31.03.2019 was as follows:

(₹ in Crore)

Description	31.03.2019
Within one year	211.02
After one year but not more than five years	198.34
Total	**409.36**

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	
			31.03.2020	31.03.2019
NHDC Limited	India	Power Generation	51.08%	51.08%
Loktak downstream Hydroelectric Corporation Limited	India	Power Generation	73.17%	74.00%
Bundelkhand Saur Urja Limited	India	Power Generation	99.99%	99.99%
Lanco Teesta Hydro Power Limited#	India	Power Generation	100.00%	

National Company Law Tribunal (NCLT) had approved the resolution plan submitted by the Company for acquisition of Lanco Teesta Hydro Power Limited (500 MW Teesta VI HE Project) for a consideration of Rs. 897.50 Crore, vide order dated 26th July 2019. The purchase consideration has been paid on 9th October, 2019 and Lanco Teesta Hydro Power Limited has become a wholly owned subsidiary of the Company from that date.

(b) Interest in Joint Ventures:

Name of Companies	Principle place of operation	Principal activities	Proportion of Ownership interest as at	
			31.03.2020	31.03.2019
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	49.89%	51.94%

During the year, the company has further invested Rs. 140.45 crore and JKPDC has invested Rs. 200.45 crore in Chenab Valley Power Project Ltd. (CVPPL), as a result of which the company's shareholding decreased from 51.94% to 49.89%. CVPPL continues to be a Joint Venture owing to control exercised jointly with the other joint venturer, pursuant to the Joint Venture agreement.

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, 2020. 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. 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 2019-20. Further, there exists no impairment in respect of the Projects / Power Stations of the company and its subsidiary tested for impairment during FY 2019-20.

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 deductedfrom free power to the State Government, there would not be any impact on the profit of the Company.

20. Pending approval of tariff by the Central Electrical Regulatory Commission (CERC) and/or approval of revised cost estimate, sales have been recognized as per management estimate based on Tariff Regulation/ orders in respect of TLDP-IV Power Station. Further, sales have also been recognised on the said basis and assumptions towards Energy Shortfall, Reimbursement of additional impact of GST due to change in law, Reimbursement of Security Expenses, Impact of change in Depreciation Rate due to increase in life of Hydro Generating Stations, Impact of wage revision of NHPC staff and KV School, Impact of O&M Expenses due to implementation of CERC Regulation, 2019. Consequently, Revenue from Operations includes ₹ **601.94 Crore** (Previous Year ₹ **515.05 Crore**)pertaining to these and pending such approvals ₹ **601.94 Crore** (Previous Year ₹ **515.05 Crore**)has so far accrued and included under Receivable on account of unbilled revenue.

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.

(ii) 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 company.

(iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014-19where 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 Oct-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 ₹ **2578.00 Crore**), employee benefits expense, depreciation and other expense of ₹ **1427.67 crore** (upto Previous year ₹ **1318.03 Crore**), net of other income of ₹ **322.60 Crore** (upto Previous year ₹ **279.06 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 recognisedin respect of Subansiri Lower Project for and upto the year ended 31.03.2020 are as under:

(₹ in Crore)

Regulatory asset created in relation to:	Upto 31.03.2019	During the year ended 3103.2020	Upto 31.03.2020
Borrowing Costs	2352.06	157.61	2509.67
Employee Benefit expense	593.13	35.60	628.73
Depreciation	51.27	3.59	54.86
Other Expense	546.56	16.27	562.83
Other Income	(275.68)	(9.82)	(285.50)
Total	**3267.34**	**203.25**	**3470.59**

Management has assessed that the incremental additions to regulatory deferral account balances in respect of the Project meets the level of certainty and prudence required for recognition as per Ind AS 114. Further, as per management assessment, there is no impairment in the carrying amount of ₹ **7263.48 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 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 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 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 w.e.f. 01.04.2019 amounting to ₹ **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 31.03.2020in the financial statement are as under:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2019	**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 31.03.2020 (A+D)**	**631.90**

Recoverability of the Regulatory Deferral Account balances on account of Pay Revision of Employees is however, subject to Regulatory Risk sincesuch 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 as per Tariff Regulations 2014-19 and the depreciation allowed by way of tariff and further 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 01.04.2019	**171.98**
B	Addition during the year (assets (+)/ liability (-))	195.62
C	Amount collected (-)/refunded (+) during the year	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**195.62**
E	**Closing balance as on 31.03.2020 (A+D)**	**367.60**

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(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 01.04.2019	**(0.97)**
B	Addition during the year (assets (+)/ liability (-))	0.99
C	Amount collected (-)/refunded (+) during the year	0
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**0.99**
E	**Closing balance as on 31.03.2020 (A+D)**	**0.02**

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 01.04.2019	**1654.73**
B	Addition during the year (assets (+)/ liability (-))	-
C	Amount collected (-)/refunded (+) during the year	125.71
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**(125.71)**
E	**Closing balance as on 31.03.2020 (A+D)**	**1529.02**

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 01.04.2019	**767.63**
B	Addition during the year (assets (+)/ liability (-))	69.46
C	Amount collected (-)/refunded (+) during the year	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**69.46**
E	**Closing balance as on 31.03.2020 (A+D)**	**837.09**

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable uptotariff 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.

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 31.03.2020 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, 2020	As at 31st March, 2019
Business Interruption Loss	202.98	74.01	-	128.97*	202.26

* 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 31.03.2020 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, 2020	As at 31st March, 2019
Against material damage	31.23	-	4.00	27.23	-
Business Interruption Loss	81.08	-	-	81.08*	-
Total	**112.31**	**-**	**4.00**	**108.31**	**-**

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

(iii) The Assets of the all power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim in r/o power stations (other than major claims of Uri-II andChamera-II disclosed at para 23 (i) and(ii) above as on 31.03.2020 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, 2020	As at 31st March, 2019
Against material damage	38.91	5.28	18.50	15.13	23.53

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 ₹ **226.32 Crore**) incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision made in earlier years in this respecthas 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 31.03.2020 amounting to ₹ **265.94 crore** (previous year ₹ **255.40 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 ₹ **360.31 Crore** (previous year ₹ **349.77 Crore**) upto 31.03.2020 has been made in the books of accounts.

26. a) Forest Clearance in respect of Tawang Stage-II Hydroelectric Project is under process. Forest Clearance for Tawang-I Hydroelectric Project shall be taken up after Forest Clearance of Tawang-II HE Project. Pending this, expenditure of ₹ **225.23 crore** (previous year ₹ **217.37 Crore**) incurred on these projects is being carried forward as Capital Work in Progress.

b) In terms of Board Resolution vide meeting of the Board of Directors held on 05/02/2013 an amount of ₹ **2.49 Crore** has been paid to the State Govt. towards Basin Study for Tawang-I and II projects and other projects in the basin to be reimbursable by the Government of Arunachal Pradesh (GoAP) on pro-rata basis. Pending this, expenditure of ₹ **2.49 Crore** (previous year ₹ **2.49 Crore**) is being carried forward as Capital Work in Progress.

c) Implementation of Tawang-I Hydroelectric Project has temporarily suspended. Accordingly, the expenditure incurred on the Project amounting to ₹ **97.57 Crore** has been carried forward under Capital Work in Progress. However as a matter of abandon caution a provision of ₹ **97.57 Crore** have been made in the books of accountduring the current year.

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 31.03.2020 amounting to ₹ **35.70 Crore** (previous year ₹ **35.61 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.70 Crore** (previous year ₹ **35.61 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 31.03.2020 amounting to ₹ **46.08 Crore** (previous year ₹ **45.98 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.08 Crore** (previous year Rs NIL) has been made in the books of accounts.

28. During the year ended company has applied Ind AS 116 "Leases". Further, the useful life of Property, Plant and Equipment of hydropower Stations of the Company have been changed prospectively to 40 years instead of 35 years in line with CERC Tariff Regulations, 2019-24 with consequential reduction in depreciation of those Power Stations which have completed 12 years of useful life. Impact of these changes in the Financial Statements of the Company is as under:

Sl. No.	Description	(₹ In Crore)
1	Impact of Ind AS 116 "Leases" on the Statement of Profit and Loss: Decrease in Profit **(Refer Note 29)**.	0.22
2	Decrease in Depreciation Expenditure due to change in useful life of the Property, Plant and Equipment.	82.13

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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
National High Power Test Laboratory (P) Ltd.	6.27	6.00	6.27	6.00

(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 31.03.2020	For the year ended 31.03.2019
1	RECs issued	7042	125386
2	RECs under certification	-	4020
3	RECs sold during the year	7042	125386

31. IMPACT OF COVID-19

Consequent to outbreak of COVID 19 which has been declared a pandemic by World Health Organisation (WHO) Government of India and State Governments have declared lockdown which have affected business in general. The Company's primary source of revenue is from generation of hydroelectricity. 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, there is no significant impact of the COVID-19 pandemic on the Company's financial resources and performances. The expected impact of the pandemic on the financial performance for FY 2020-21 includes the following:

a) Construction activities at Parbati-II and Subansiri Lower Projects were halted from 23.03.2020 to 22.04.2020 and 23.03.2020 to 20.4.2020 respectively, which is expected to have an impact on the completion schedule and the projected completion cost of these projects.

b) The restoration schedules of three Power Stations i.e. Chamera-II Power Station, Kishanganga Power Station and Loktak Power Station have been affected due to movement restrictions imposed in wake of CoVID-19 pandemic.

c) The Ministry of Power vide letter dated 15th May 2020 and corrigendum dated 16th May 2020 has conveyed the decision of the Government of India to provide rebate of 20-25% on fixed cost billed to beneficiary DISCOMs. Accordingly, the proposal of rebate estimated to be of ₹ **185 Crore** is under consideration to be provided amongst beneficiary DISCOMs during FY 2020-21.

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 ₹ **3818.34 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, 2020, 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. The actual impact of pandemic is however dependent upon future development. The company will continue to monitor the variation in situations and same will be taken in to consideration on crystallisation.

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**ABHAY KUMAR SINGH** Chairman & Managing Director DIN 08646003

As per report of even date

For Arora Vohra & Co. Chartered Accountants FRN: 009487N	**For DSP & Associates** Chartered Accountants FRN: 006791N	**For Lodha & Co.** Chartered Accountants FRN: 301051E
(A. K. Aggarwal) Partner M. No. 013833	**(Sanjay Jain)** Partner M. No. 084906	**(R.P. Singh)** Partner M. No. 052438

Place: Faridabad
Date: 27th June, 2020

Annexure - XII

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, 2020, 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, 2020, 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 Auditor's 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 pertains to Holding Company as the other auditors of the components have not given any key audit matters in their reports.

	Key audit Matters	Addressing the Key Audit Matters
1.	**Regulatory Deferral Account Balances and accruals of revenue pending tariff Notifications.**	**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:**
	Regulatory Deferral Account balances include accruals aggregating to Rs. 3470.59 Crore on account of interest cost and other attributable expenses pertaining to Subansiri Lower HE 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). 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. Regulatory Deferral Accounts are based on the estimates with respect to recoverability thereof as per the current CERC Tariff Regulations on final approval and notifications. The accruals made as above are 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 Project.	• 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. • 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. • 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. • 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.
2.	**Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)** Certain Cash Generating Units (CGUs) of the company were assessed for impairment as on 31st March 2020. This covers Property, Plant and Equipments and 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 FY 2019-20. Based on the above assessment, no provision for impairment has been considered necessary by the Company. Impairment exercise undertaken which justifies the carrying amount of certain assets including Capital work in progress pertaining to Subansiri Lower HE Project and the regulatory deferral account balances pertaining to same as dealt with under para1 above, is significant and vital to the Company's operations.	**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:** • Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 38; • 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: - Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances; - Price assumptions and tariff used in the models; - Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate. - The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use. • 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.

	Key audit Matters	Addressing the Key Audit Matters
	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.	• Reliance have 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))** Various claims lodged by the Contractors against Capital Works amounting to Rs. 10369.28 crore 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. 2021.60 crore have been paid/deposited pursuant to the NITI Aayog directions or Court order. Claims made against the Company and its subsidiaries are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof and 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:** • Obtained the status of the case from the legal department and their view on the matter; • 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; • Discussion with management and reading/ reviewing the correspondences Memos and Notes on related matters. • Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising there from pending final judgement/decisions; • 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".
4.	**Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage upto 31.03.2020** Expenditure of Rs. 1141.05 Crores as given in Note 2.2.2 has been incurred for conducting survey and investigation on projects. Out of this Rs. 820.78 crore (including Rs. 154.73 Crores during the year) have been provided for keeping in view uncertainty with respect to clearances, approval for implementing the Projects, leaving Rs. 320.27 Crores which has been carried forward as Capital Work in Progress. Further Capital work in progress also includes projects where active construction activities are yet to be undertaken. 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:** • Obtained the status of the Projects as provided by the management and the reason thereof of keeping them in abeyance. • Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred 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 and for project under preconstruction stage and allocation of Borrowing and other cost incurred and allocated there against. • Evaluating the management's rationale with respect to possible abandonment of such projects in future and/ or expected economic use of the same. • Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for implementing

	Key audit Matters	Addressing the Key Audit Matters
		the project given the location, size and nature in each case of the respective project and this being technical in nature placing reliance on management contention and representation on the matter.
5.	**Recognition of Deferred Tax and evaluation of utilisation thereof.** Deferred Tax with respect to MAT Credit entitlement of Rs. 2196.82 Crores lying unutilized as on 31.03.2020 has not been recognised. 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:** • Understanding and testing the operating effectiveness of the company's control relating to taxation and assessment of carrying amount of deferred tax assets/ liabilities. • 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. • 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. • 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. • 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 and period of applicability thereof. • 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 Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.The Board's Report is expected to be made available to us after the date of this auditor's 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets and total net assets as at 31st March, 2020, 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, 2020	Net Assets as on March 31, 2020	Total Revenues for the year ended March 31, 2020	Net Cash Inflows/ (Outflows)
NHDC Limited	7620.40	5562.79	1494.57	7.83
Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited)	148.36	143.27	0.18	0.97
Bundelkhand Saur Urja Limited (BSUL)	26.38	9.40	0.01	0.85
Lanco Teesta Hydro Power Limited (LTHPL)	968.39	961.37	-	10.58
Total	**8763.53**	**6676.83**	**1494.76**	**20.23**

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, 2020 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, 2020	Group share in Net Other Comprehensive Income for the year ended 31st March, 2020	Group share– Total
Chenab Valley Power Projects (P) Limited (CVPPPL)	7.05	-	7.05

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, 2020 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, 2020	Group share in Net Other Comprehensive Income for the year ended 31st March, 2020	Group share – Total
National High Power Test Laboratory Private Limited (NHPTL)	(4.01)	(0.01)	(4.02)

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 have not reported the following matters in their Auditor's Report:

   I. Key Audit Matters

   II. Information Other than the Financial Statements and Auditors' Report Thereon

   In the absence of the same, we are unable to incorporate these matters for the Group and accordingly these matters have been reported for the Holding Company only.

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

   Our opinion is not modified in respect of these matters.

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 Auditor's 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 Auditor's 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 Ventures has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts, derivative contracts; and

   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 Government Companies.

For Arora Vohra & Co.	For DSP & Associates	For Lodha & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm's ICAI Registration No.: 009487N	Firm's ICAI Registration No.:006791N	Firm's ICAI Registration No.:301051E
A K Aggarwal	Sanjay Jain	R P Singh
Partner	Partner	Partner
M. No. 013833	M. No. 084906	M. No. 052438
Place: Ludhiana	New Delhi	Kolkata
Date: June 27, 2020		
UDIN:20013833AAAABL6967	UDIN:20084906AAAAPL1008	UDIN: 20052438AAAABN9114

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, 2020, 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 and its joint ventures which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the 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.

Auditor's 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by 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, 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, 2020, 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

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 insofar as it relates to two subsidiaries and one joint venture incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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 one subsidiary and one joint venture incorporated in India, whose financial statements/financial information are unaudited and 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.

For Arora Vohra & Co.	For DSP & Associates	For Lodha & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm's ICAI Registration No.: 009487N	Firm's ICAI Registration No.:006791N	Firm's ICAI Registration No.:301051E
A K Aggarwal	Sanjay Jain	R P Singh
Partner	Partner	Partner
M. No. 013833	M. No. 084906	M. No. 052438
Place: Ludhiana	New Delhi	Kolkata
Date: June 27, 2020		
UDIN:20013833AAAABL6967	UDIN:20084906AAAAPL1008	UDIN: 20052438AAAABN9114

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Crore)

PARTICULARS		Note No.	As at 31st March, 2020	As at 31st March, 2019
	ASSETS			
(1)	**NON-CURRENT ASSETS**			
a)	Property, Plant and Equipment	2.1	21,630.33	23,116.24
b)	Capital Work In Progress	2.2	17,180.41	15,036.80
c)	Right Of Use Assets	2.3	2,766.31	
d)	Investment Property	2.4	4.49	4.49
e)	Intangible Assets	2.5	0.72	1,855.90
f)	Investments accounted for using the equity method	2.6.1	933.53	792.65
g)	Financial Assets			
	i) Investments	3.1	464.13	490.20
	ii) Trade Receivables	3.2	-	61.51
	iii) Loans	3.3	820.81	770.08
	iv) Others	3.4	7,567.27	7,453.54
h)	Non Current Tax Assets (Net)	4	153.29	145.87
i)	Other Non Current Assets	5	3,038.17	2,034.11
	TOTAL NON CURRENT ASSETS		**54,559.46**	**51,761.39**
(2)	**CURRENT ASSETS**			
a)	Inventories	6	126.62	125.18
b)	**Financial Assets**			
	i) Trade Receivables	7	3,816.44	2,838.00
	ii) Cash and Cash Equivalents	8	42.17	25.04
	iii) Bank balances other than Cash and Cash Equivalents	9	1,651.10	2,220.21
	iv) Loans	10	51.01	48.81
	v) Others	11	3,301.95	2,243.10
c)	Current Tax Assets (Net)	12	84.16	111.85
d)	Other Current Assets	13	498.99	372.73
	TOTAL CURRENT ASSETS		**9,572.44**	**7,984.92**
(3)	Regulatory Deferral Account Debit Balances	14	7,213.06	6,979.14
	TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES		**71,344.96**	**66,725.45**
	EQUITY AND LIABILITIES			
(1)	**EQUITY**			
(a)	Equity Share Capital	15.1	10,045.03	10,045.03
(b)	Other Equity	15.2	21,325.58	20,752.78
	TOTAL EQUITY		**31,370.61**	**30,797.81**
(2)	**NON-CONTROLLING INTEREST**	15.3	2,763.88	2,868.47
(3)	**LIABILITIES**			
	NON-CURRENT LIABILITIES			
a)	**Financial Liabilities**			
	i) Borrowings	16.1	20,891.80	17,044.63
	ii) Other financial liabilities	16.2	2,060.29	2,059.44

PARTICULARS		Note No.	As at 31st March, 2020	As at 31st March, 2019
b)	Provisions	17	55.56	46.94
c)	Deferred Tax Liabilities (Net)	18	4,229.12	4,720.68
d)	Other non-current Liabilities	19	3,199.47	2,986.06
	TOTAL NON - CURRENT LIABILITIES		**30,436.24**	**26,857.75**
(4)	**CURRENT LIABILITIES**			
a)	**Financial Liabilities**			
	i) Borrowings	20.1	714.31	416.00
	ii) Trade Payables	20.2		
	Total outstanding dues of micro enterprises and small enterprises		22.96	19.38
	Total outstanding dues of Creditors other than micro enterprises and small enterprises		293.70	176.89
	iii) Other financial liabilities	20.3	2,923.08	2,896.72
b)	Other Current Liabilities	21	902.82	1,158.04
c)	Provisions	22	1,442.94	1,534.39
d)	Current Tax Liabilities (Net)	23	-	-
(4)	Regulatory Deferral Account Credit Balances	14.2	474.42	
	TOTAL EQUITY AND LIABILITIES		**71,344.96**	**66,725.45**
	Accompanying notes to the Consolidated Financial Statements	1-34		

Note 1 to 34 form integral part of the Accounts

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**ABHAY KUMAR SINGH** Chairman & Managing Director DIN 08646003

As per report of even date

For Arora Vohra & Co. Chartered Accountants FRN: 009487N	**For DSP & Associates** Chartered Accountants FRN: 006791N	**For Lodha & Co.** Chartered Accountants FRN: 301051E
(A. K. Aggarwal) Partner M. No. 013833	**(Sanjay Jain)** Partner M. No. 084906	**(R.P. Singh)** Partner M. No. 052438

Place: Faridabad
Date: 27th June, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
INCOME			
i) Revenue from Operations	24.1	10,008.07	8,982.87
ii) Other Income	24.2	768.57	863.94
TOTAL INCOME		**10,776.64**	**9,846.81**
EXPENSES			
i) Purchase of Power - Trading	25.1	234.13	12.68
ii) Generation Expenses	25.2	904.33	800.75
iii) Employee Benefits Expense	26	1,676.09	1,849.93
iv) Finance Costs	27	795.98	895.14
v) Depreciation and Amortization Expense	28	1,614.04	1,657.96
vi) Other Expenses	29	1,699.39	1,319.60
TOTAL EXPENSES		**6,923.96**	**6,536.06**
PROFIT BEFORE EXCEPTIONAL ITEMS, RATE REGULATED ACTIVITIES AND TAX		**3,852.68**	**3,310.75**
Share of Net Profit of Joint Ventures accounted for using the equity method	2.6.2	3.04	5.24
Exceptional items		-	-
PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX		**3,855.72**	**3,315.99**
Tax Expenses	30.1		
i) Current Tax		897.74	827.41
ii) Deferred Tax		(607.24)	496.21
Total Tax Expenses		**290.50**	**1,323.62**
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		**3,565.22**	**1,992.37**
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	(240.50)	843.42
PROFIT FOR THE YEAR (A)		**3,324.72**	**2,835.79**
OTHER COMPREHENSIVE INCOME (B)	30.2		
(i) Items that will not be reclassified to profit or loss			
(i) Items that will not be reclassified to profit or loss (Net of Tax)		36.29	0.99
Less:- Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations		8.80	(0.46)
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**	**1.44**
(b) Investment in Equity Instruments		(42.09)	(16.48)
Sub total (b)		**(42.09)**	**(16.48)**
Total (i)=(a)+(b)		**(14.61)**	**(15.04)**

PARTICULARS	Note No.	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
(ii) Items that will be reclassified to profit or loss			
- Investment in Debt Instruments		12.10	2.37
Total (ii)		**12.10**	**2.37**
Other Comprehensive Income (B)=(i+ii)		**(2.51)**	**(12.67)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**3,322.21**	**2,823.12**
Profit is attributable to:			
Owners		2,874.61	2,595.61
Non-Controlling interests		450.11	240.18
		3,324.72	**2,835.79**
Other comprehensive income is attributable to:			
Owners		(1.59)	(12.55)
Non-Controlling interests		(0.92)	(0.12)
		(2.51)	**(12.67)**
Total comprehensive income is attributable to:			
Owners		2,873.02	2,583.06
Non-Controlling interests		449.19	240.06
		3,322.21	**2,823.12**
Total comprehensive income attributable to owners arises from:			
Continuing operations		2,873.02	2,583.06
Discontinued operations		-	-
		2,873.02	**2,583.06**
"Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)"	34(14)		
Before movements in Regulatory Deferral Account Balances		3.10	1.71
After movements in Regulatory Deferral Account Balances		2.86	2.54
Accompanying notes to the Consolidated Financial Statements	1-34		
Significant Accounting Policies	1		
Expenditure attributable to construction (EAC) during the year forming part of capital work in progress	32		
Disclosure on Financial Instruments and Risk Management	33		
Other Explanatory Notes to Accounts	34		
Note 1 to 34 form integral part of the Accounts			

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**ABHAY KUMAR SINGH** Chairman & Managing Director DIN 08646003

As per report of even date

For Arora Vohra & Co. Chartered Accountants FRN: 009487N	**For DSP & Associates** Chartered Accountants FRN: 006791N	**For Lodha & Co.** Chartered Accountants FRN: 301051E
(A. K. Aggarwal) Partner M. No. 013833	**(Sanjay Jain)** Partner M. No. 084906	**(R.P. Singh)** Partner M. No. 052438

Place: Faridabad
Date: 27th June, 2020

STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crore)

			For the Year ended 31st March, 2020		For the Year ended 31st March, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax for the year including movements in Regulatory Deferral Account Balance		3,615.22		4,159.41
	Less: Movement in Regulatory Deferral Account Balances		(240.50)		843.42
	Profit before Tax		**3,855.72**		**3,315.99**
	ADD :				
	Depreciation and Ammortisation	1,614.04			1,657.96
	Finance Costs	795.98			895.14
	Provisions (Net)	156.59			110.46
	Tariff Adjustment (loss)	27.79			65.37
	Sales adjustment of account of Exchange Rate Variation	42.94			92.34
	Loss (Profit) on sale of assets/Claims written off	4.48			(1.15)
			2,641.82		2,820.12
			6,497.54		**6,136.11**
	LESS :				
	Advance against Depreciation written back	48.38			65.23
	Provisions (Net gain)	5.22			31.43
	Dividend Income	4.80			4.80
	Interest Income	307.21			309.04
	Exchange rate variation	(50.15)			3.18
	Other Adjustments	(2.61)			0.76
	Fair Value Adjustments	(2.04)			(3.59)
	Amortisation of Government Grants	98.46			92.17
	Share of Net Profit /(Loss) of Joint Ventures (accounted for using the equity method)	3.04			5.24
		412.31			508.26
	Cash flow from Operating Activities before Operating Assets and Liabilities adjustments		**6,085.23**		**5,627.85**
	Changes in Operating Assets and Liabilities:				
	Inventories	(1.69)			(20.63)
	Trade Receivables	(1,655.75)			(1,951.62)
	Other Financial Assets, Loans and Advances	(197.61)			(931.12)
	Other Financial Liabilities and Provisions	(184.39)			1,976.90
		(2,039.44)			(926.47)
	Cash flow from operating activities before taxes		**4,045.79**		**4,701.38**
	Less : Taxes Paid		793.92		877.17
	NET CASH FROM OPERATING ACTIVITIES (A)		**3,251.87**		**3,824.21**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	"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**"		(3,631.74)		(1,360.20)
	Sale of Assets		0.52		0.92
	Realization/ (Payments) for Investments / Bonds / Bank Deposits		253.35		(35.46)
	Investment in Joint Venture		(140.45)		(100.00)
	Dividend Income		4.80		4.80
	Interest Income		267.12		307.66
	NET CASH USED IN INVESTING ACTIVITIES (B)		**(3,246.40)**		**(1,182.28)**

		For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Buyback of Equity Shares (including Premium Payment)	-	(606.20)
	Equity proceeds from Non-Controlling Interest	2.50	-
	Dividend and Tax on Dividend Paid (including Non-Controlling Interests)	(2,897.44)	(1,526.74)
	Proceeds from Borrowings	6,015.71	2,588.00
	Repayment of Borrowings	(1,773.05)	(1,877.16)
	Interest and Finance Charges	(1,332.61)	(1,215.12)
	Repayment of Lease Liability	(3.45)	-
	NET CASH USED IN FINANCING ACTIVITIES (C)	**11.66**	**(2,637.22)**
D.	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**	**17.13**	**4.7**
	Cash and Cash Equivalents at the beginning of the year	25.04	20.33
	Cash and Cash Equivalents at the close of the year	42.17	25.04

The above Statement of Cash Flows is prepared in accordance with the Indirect method prescribed in Ind AS 7 - "Statement of Cash Flows".

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 as per Note 8 of the Balance Sheet is as under:

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash equivalents	42.17	25.04

2 Earmarked balances with banks amounting to Rs. 18.68 Crores as on 31.03.2019 included under Cash and Cash Equivalents has been reclassified to Bank Balances other than Cash and Cash Equivalents. Accordingly the Cash and Cash Equivalents as on 31.03.2019 has been changed from Rs. 43.72 Crore to Rs. 25.04 Crore.

3 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 462.90 Crore (Previous year ₹ 365.28 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).

4 Amount of undrawn loan as on 31.03.2020 : ₹ 925.00 Crore (Previous Year ₹ 819.00 Crore)

5 Company has incurred ₹ 147.54 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2020 (Previous Year ₹ 44.60 Crore)

6 **Net debt reconciliation** (₹ in crore)

	31/03/2020	31/03/2019
Cash and Cash Equivalents	42.17	25.04
Current Borrowings	(714.31)	(416.01)
Non current Borrowings	(23138.70)	(19234.76)
Lease Liability	(16.35)	0.00
Net Debt	(23827.19)	(19625.73)

(₹ in crore)

Particulars	Other assets	Liabilities from Financing Activities			Total
	Cash & Cash Equivalents	Non-current borrowings	Lease Liability	Current borrowings	
Net debt as at 31 March 2018	**20.33**	**(18,894.59)**	**-**	**(280.00)**	**19,154.26)**
Cash flows	4.71	(574.83)	-	(136.01)	(706.13)
Lease Liability	-	-	-	-	-
Foreign exchange adjustments	-	(22.69)	-	-	(22.69)
Interest expense	-	(1,201.37)	-	(5.84)	(1,207.21)
Interest paid	-	1,188.87	-	5.84	1,194.71
Fair value adjustments	-	269.85	-	-	269.85
Net debt as at 31 March 2019	**25.04**	**(19,234.76)**	**-**	**(416.01)**	**19,625.73)**

(₹ in crore)

Particulars	Other assets	Liabilities from Financing Activities			Total
	Cash & Cash Equivalents	Non-current borrowings	Lease Liability	Current borrowings	
Net debt as at 31 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 & Other adjustments	-	218.74	0.14	-	218.88
Net debt as at 31 March 2020	**42.17**	**(23,138.70)**	**(16.35)**	**(714.31)**	**(23,827.19)**

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

ABHAY KUMAR SINGH
Chairman & Managing Director
DIN 08646003

As per report of even date

For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N

For DSP & Associates
Chartered Accountants
FRN: 006791N

For Lodha & Co.
Chartered Accountants
FRN: 301051E

(A. K. Aggarwal)
Partner
M. No. 013833

(Sanjay Jain)
Partner
M. No. 084906

(R.P. Singh)
Partner
M. No. 052438

Place: Faridabad
Date: 27th June, 2020

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				
	Capital Reserve	Capital Redemption Reserve	Bond Redemption Reserve	Corporate Social Responsibility Fund	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI	Total	Non-Controlling Interest (NCI)	Total after NCI
Balance as at 1st April, 2019	-	2,255.71	2,193.35	11.38	11,417.14	4,768.82	76.30	30.08	20,752.78	2,868.47	23,621.25
Profit for the year						2,874.61			2,874.61	450.11	3,324.72
Other Comprehensive Income						28.40	(42.09)	12.10	(1.59)	(0.92)	(2.51)
Total Comprehensive Income for the year	-	-	-	-	-	2,903.01	(42.09)	12.10	2,873.02	449.19	3,322.21
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)	
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**	**5,455.73**	**34.21**	**42.18**	**21,325.58**	**2,763.88**	**24,089.46**

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**ABHAY KUMAR SINGH** Chairman & Managing Director DIN 08646003

As per report of even date

For Arora Vohra & Co. Chartered Accountants FRN: 009487N	**For DSP & Associates** Chartered Accountants FRN: 006791N	**For Lodha & Co.** Chartered Accountants FRN: 301051E
(A. K. Aggarwal) Partner M. No. 013833	**(Sanjay Jain)** Partner M. No. 084906	**(R.P. Singh)** Partner M. No. 052438

Place: Faridabad
Date: 27th June, 2020

STATEMENT OF CHANGES IN EQUITY AS AT 31ST March, 2019

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in Crore)
As at 1st April 2019	15.1	10,259.32
Changes in Equity Share Capital		(214.29)
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 Redemption Reserve	Securities Premium	Bond Redemption Reserve	Corporate Social Responsibility Fund	Research & Development Fund	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI			
Balance as at 1st April, 2018	2,041.42	242.81	2,129.55	23.29	16.97	10,224.43	4,982.91	92.78	27.71	19,781.87	2,934.91	22,716.78
Profit for the year							2,595.61			2,595.61	240.18	2,835.79
Other Comprehensive Income							1.56	(16.48)	2.37	(12.55)	(0.12)	(12.67)
Total Comprehensive Income for the year	-	-	-	-	-	-	2,597.17	(16.48)	2.37	2,583.06	240.06	2,823.12
Share Application Money received during the year.										-		-
Utilization for Buy Back of Equity Shares		(242.81)				(142.90)				(385.71)		(385.71)
Utilization for expenditure on Buy Back of Equity Shares						(6.20)				(6.20)		(6.20)
Transfer to Retained Earning												
Amount transferred from Bond Redemption Reserve			(244.97)				244.97			-		-
Tax on Dividend - Write back										-		-
Amount transferred from Corporate Social Responsibility Fund				(11.91)			6.09			(5.82)	5.82	-
Amount transferred from Research & Development Fund					(16.97)	8.66				(8.31)	8.30	(0.01)
Amount Transferred from/(to) General Reserve	214.29					(214.29)	(1,547.44)			(1,547.44)		(1,547.44)
Transfer from Retained Earning						1,547.44				1,547.44		1,547.44
Dividend							(1,000.46)			(1,000.46)	(265.95)	(1,266.41)
Tax on Dividend							(205.65)			(205.65)	(54.67)	(260.32)
Transfer to Bond Redemption Reserve			308.77				(308.77)			-		-
Balance as at 31st March, 2019	**2,255.71**	**-**	**2,193.35**	**11.38**	**-**	**11,417.14**	**4,768.82**	**76.30**	**30.08**	**20,752.78**	**2,868.47**	**23,621.25**

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

ABHAY KUMAR SINGH
Chairman & Managing Director
DIN 08646003

As per report of even date

For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N
(A. K. Aggarwal)
Partner
M. No. 013833

For DSP & Associates
Chartered Accountants
FRN: 006791N
(Sanjay Jain)
Partner
M. No. 084906

For Lodha & Co.
Chartered Accountants
FRN: 301051E
(R.P. Singh)
Partner
M. No. 052438

Place: Faridabad
Date: 27th June, 2020

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 publicly traded on the National Stock Exchange of India and BSE Limited. 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 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 27th June 2020.

(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

(i) **Ind AS 116- Leases:** Ind AS 116 replaces Ind AS 17- Leases and sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. With effect from 1st April, 2019, the Group has adopted Ind AS 116 "Leases" using the modified retrospective approach. Impact of adoption of the standard is disclosed in Note XX.

(ii) 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 subsidiarywhich 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 recognizedin 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 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 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 plant 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.

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.

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 & machinery and computers & peripherals which are in accordance with 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 assetsis 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. 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 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 & maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) andInd 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, changes in CERC tariff regulations beyond the current tariff period may affect the recoverability of such balances.

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 Subsidiaries and 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 is based on estimates & 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).

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 PPE 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 & 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 & 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 or disposal. 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

a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (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 revenue 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 enterprise 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 Balance Sheet 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, Advances to employees, security deposit, claims recoverable etc.

a) Classification

The Groupclassifies its financial assets in the following categories:

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and

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 will either be recorded in the Statement of Profit and Loss or 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 orloss 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 collectingcontractual 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 finance income inthe 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 Groupmakes 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 entity 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 recognizing impairment loss allowance based on 12-month ECL.The amount of expected credit loss (or 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

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 obligation 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 & borrowings, trade and other payables.

a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus 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 assetif 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 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.

b) 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.

c) 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.

d) 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, 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 for 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 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 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 bonusif 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 and in the Balance Sheet.

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 Lossor 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 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 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 uptoRs. 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 suchasset 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 & 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 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

i) 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).

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

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 orloss 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 - 'Operating Segments'.

c) The Group has a single geographical segment as all its Power Stations are located within the Country.

23.0 Leases

Effective 1 April 2019, the Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under

Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in Note 34.

For contracts entered into, or changed, on or after 1 April 2019, at inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. 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.

For contracts entered into before 1st April, 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset.

Further, an arrangement conveyed a right to use the asset if facts and circumstances indicated that it was remote that one or more parties other than the purchaser will take more than an insignificant amount of the output or other utility that will be produced or generated by the asset during the term of the arrangement, and the price that the purchaser will pay for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

a) 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.

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.

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.

Under Ind AS 17

In the comparative period, leases of property, plant and equipment, where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance lease. Such finance leases were generally capitalised at the lease's inception at the fair value of the leased property which was equal the transaction price i.e. lump sum upfront payments.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases were charged to Statement of Profit and Loss over the period of lease.

b) 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 plant 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 (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.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 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.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116.

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 acquiree, 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 acquiree'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 acquiree 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 and liabilities are classified as non-current assets and 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. There is no such 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 01.04.2019	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 Equipment	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
Computers	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 1458.55hectare) 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 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 Equipment	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
Computers	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: -

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. 2.1 PROPERTY, PLANT AND EQUIPMENTS

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Freehold	319.40	12.16	0.01	6.16	337.71	-	-	-	-	337.71	319.40
Land – Leasehold	327.43	0.02	-	(24.86)	302.59	35.29	11.65	(24.86)	22.08	280.51	292.14
Roads and Bridges	215.84	6.67	0.15	0.22	222.58	27.85	10.20	3.06	41.11	181.47	187.99
Buildings	2,019.98	331.94	0.74	0.88	2,352.06	259.50	94.27	0.67	354.44	1,997.62	1,760.48
Building-Under Lease	-	17.01	-	-	17.01	-	0.36	-	0.36	16.65	-
Railway sidings	16.58	-	0.01	-	16.57	7.41	5.68	-	13.09	3.48	9.17
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	12,925.66	4,025.59	3.44	1.54	16,949.35	2,502.38	965.12	(0.61)	3,466.89	13,482.46	10,423.28
Generating Plant and machinery	7,213.74	1,017.32	9.24	(1.03)	8,220.79	1,267.41	481.48	(1.98)	1,746.91	6,473.88	5,946.33
Plant and machinery - Sub station	49.49	2.04	0.01	(0.22)	51.30	9.23	2.43	(0.22)	11.44	39.86	40.26
Plant and machinery - Transmission lines	68.93	1.61	-	0.17	70.71	12.70	4.59	0.17	17.46	53.25	56.23
Plant and machinery - Others	32.82	3.39	0.11	(0.09)	36.01	8.16	2.06	(0.12)	10.10	25.91	24.66
Construction Equipment	50.80	2.15	0.19	(0.20)	52.56	16.16	3.94	(0.20)	19.90	32.66	34.64
Water Supply System/Drainage and Sewerage	47.09	5.29	0.06	0.12	52.44	6.15	2.18	0.11	8.44	44.00	40.94
Electrical installations	4.34	0.42	0.05	0.07	4.78	0.54	0.31	0.05	0.90	3.88	3.80
Vehicles	22.26	0.48	0.26	(0.03)	22.45	5.17	1.82	(0.09)	6.90	15.55	17.09
Aircraft/ Boats	0.89	1.05	0.01	(0.01)	1.92	0.19	0.13	(0.01)	0.31	1.61	0.70
Furniture and fixture	33.28	2.77	0.16	0.22	36.11	6.95	2.43	0.19	9.57	26.54	26.33
Computers	33.93	5.83	0.46	(0.10)	39.20	18.14	6.45	(0.35)	24.24	14.96	15.79
Communication Equipment	10.80	1.14	0.31	0.19	11.82	2.22	0.81	0.07	3.10	8.72	8.58
Office Equipments	34.42	4.05	0.43	0.27	38.31	7.74	3.04	0.16	10.94	27.37	26.68
Research and Development Equipment	0.73	-	-	-	0.73	0.25	0.08	-	0.33	0.40	0.48
Other assets	52.67	9.19	0.23	0.10	61.73	9.92	4.03	0.04	13.99	47.74	42.75
Tangible Assets of minor value > Rs. 750 and < Rs.5000	3.23	1.17	0.04	0.24	4.60	3.22	1.14	0.23	4.59	0.01	0.01
TOTAL	**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**	**19,277.73**
Previous Year	23,033.16	462.59	12.40	0.96	23,484.31	2,781.43	1,422.46	2.69	4,206.58	19,277.73	

Note : 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. For other explanatory notes, these are stated in Annexure-I to Note 2.1.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENTS

Additional Disclosure of Property, Plant and Equipment

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Freehold **(Refer Note 2.1.1 and 2.1.2)**	319.40	12.16	0.01	6.16	337.71	-	-	-	-	337.71	319.40
Land – Leasehold **(Refer Note 2.1.1 and 2.1.3)**	370.77	0.02	-	(54.79)	316.00	78.63	11.65	(54.79)	35.49	280.51	292.14
Roads and Bridges	313.07	6.67	0.26	(3.18)	316.30	125.08	10.20	(0.45)	134.83	181.47	187.99
Buildings	2,760.97	331.94	2.49	(11.41)	3,079.01	1,000.49	94.27	(13.37)	1,081.39	1,997.62	1,760.48
Building-Under Lease **(Refer 34(18B))**	-	17.01	-	-	17.01	-	0.36	-	0.36	16.65	-
Railway sidings	36.13	-	0.03	-	36.10	26.96	5.68	(0.02)	32.62	3.48	9.17
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	18,876.49	4,025.59	8.00	1.84	22,895.92	8,453.21	965.12	(4.87)	9,413.46	13,482.46	10,423.28
Generating Plant and machinery	10,194.07	1,017.32	9.47	0.53	11,202.45	4,247.74	481.48	(0.65)	4,728.57	6,473.88	5,946.33
Plant and machinery - Sub station	101.19	2.04	0.10	(0.20)	102.93	60.93	2.43	(0.29)	63.07	39.86	40.26
Plant and machinery - Transmission lines	96.34	1.61	-	(0.05)	97.90	40.11	4.59	(0.05)	44.65	53.25	56.23
Plant and machinery - Others	49.80	3.39	0.43	(0.44)	52.32	25.14	2.06	(0.79)	26.41	25.91	24.66
Construction Equipment	113.37	2.15	1.67	(1.15)	112.70	78.73	3.94	(2.63)	80.04	32.66	34.64
Water Supply System/Drainage and Sewerage	57.05	5.29	0.08	(0.02)	62.24	16.11	2.18	(0.05)	18.24	44.00	40.94
Electrical installations	5.64	0.42	0.07	-	5.99	1.84	0.31	(0.04)	2.11	3.88	3.80
Vehicles	34.78	0.48	1.06	(0.69)	33.51	17.69	1.82	(1.55)	17.96	15.55	17.09
Aircraft/ Boats	1.15	1.05	0.01	-	2.19	0.45	0.13	-	0.58	1.61	0.70
Furniture and fixture	58.77	2.77	0.31	(0.50)	60.73	32.44	2.43	(0.68)	34.19	26.54	26.33
Computers	67.97	5.81	3.11	(0.91)	69.76	52.18	6.45	(3.83)	54.80	14.96	15.79
Communication Equipment	17.13	1.16	0.65	(0.03)	17.61	8.55	0.81	(0.47)	8.89	8.72	8.58
Office Equipments	54.72	4.05	1.08	(0.20)	57.49	28.04	3.04	(0.96)	30.12	27.37	26.68
Research and Development Equipment	1.35	-	-	-	1.35	0.87	0.08	-	0.95	0.40	0.48
Other assets	76.94	9.19	0.86	(0.64)	84.63	34.19	4.03	(1.33)	36.89	47.74	42.75
Tangible Assets of minor value > Rs. 750 and < Rs.5000	18.77	1.17	0.54	(0.45)	18.95	18.76	1.14	(0.96)	18.94	0.01	0.01
TOTAL	**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**	**19,277.73**
Previous Year	33,190.52	462.59	28.19	0.95	33,625.87	12,938.79	1,422.46	(13.11)	14,348.14	19,277.73	

Explanatory 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 1485.19 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 ₹ 0.01 crore) covering an area of 0.10 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.

b) In respect of other units, title deeds/title in respect of freehold land amounting to ₹ 6.73 crore (Previous year ₹ 0.52 crore) covering an area of 109.75 hectare (Previous year 125.03 hectare) and lease deeds in respect of leasehold land amounting to ₹ 251.28 crore (Previous year ₹ 306.08 crore) covering an area of 519.68 hectare (Previous year 870.87 hectare) are yet to be executed/passed.

c) "Building under Lease" represents building space of 5001 sq. feet in Kidwai Nagar, New Delhi amounting to ₹ 17.01 crore acquired during the year. Lease deed in respect of the same is pending execution.

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 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).

2.1.4 Underground works amounting to ₹ 10508.57 crore (Previous Year ₹ 6302.08 crore), created on Land - Right to use, are included under the relevant heads of Property, Plant and Equipment.

2.1.5 Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, depreciation charged and capitalized during construction of a project.

2.1.6 Pending approval of revised cost estimates (RCE) of Sewa-II, Chamera-III, Teesta Low Dam-III, Uri-II & Teesta Low Dam-IV Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.

2.1.7 Refer Note No 34(11) for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.8 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.

2.1.9 Refer Note no. 34(5), 34(19) and 34(33) of Consolidated Financial Statements.

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 ₹ 661.65 Crore (Previous year ₹ 367.95 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 ₹ 777.26 Crore (Previous Year ₹ 625.35 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(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 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. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

Particulars	As at 01.04.2018	Addition	Adjustment	Capitalised	As at 31.03.2019
Roads and Bridges	98.56	4.23	-	9.80	92.99
Buildings	1,157.35	52.72	(32.06)	266.97	911.04
Building-Under Lease	-	17.01	-	17.01	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	7,226.04	500.18	-	3,205.83	4,520.39
Generating Plant and Machinery	3,185.16	139.62	(0.09)	740.20	2,584.49
Plant and Machinery - Sub station	28.05	1.47	(10.08)	16.46	2.98
Plant and Machinery - Transmission lines	1.76	0.60	-	1.08	1.28
Plant and Machinery - Others	0.50	-	(0.49)	-	0.01
Construction Equipment	-	-	-	-	-
Water Supply System/Drainage and Sewerage	3.62	3.43	(0.12)	5.00	1.93
Other assets awaiting installation	9.38	29.83	(0.02)	26.75	12.44
Survey, investigation, consultancy and supervision charges	304.91	6.93	(0.24)	136.38	175.22
Expenditure on compensatory Afforestation	15.94	-	-	-	15.94
Expenditure Attributable to Construction **(Refer Note-32)**	7,516.80	850.17	-	1,085.42	7,281.55
Sub total	**19,548.07**	**1,606.19**	**(43.10)**	**5,510.90**	**15,600.26**
Less: Capital Work in Progress provided **(Refer Note 2.2.2)**	608.35	60.52	-	-	668.87
Sub total (a)	**18,939.72**	**1,545.67**	**(43.10)**	**5,510.90**	**14,931.39**
Construction Stores	148.26		(40.44)		107.82
Less : Provisions for construction stores	1.24		1.17		2.41
Sub total (b)	**147.02**		**(41.61)**		**105.41**
TOTAL	**19,086.74**	**1,545.67**	**(84.71)**	**5,510.90**	**15,036.80**
Previous Year	17,587.59	1,891.31	33.37	425.53	19,086.74

Explanatory Note: -

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 367.95 Crore (Previous year ₹ 388.68 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 ₹ 1422.80 Crore (Previous Year ₹ 1290.74 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 ₹ 1379.28 Crore (Previous Year ₹ 1247.22 Crore) pertaining to projects with the company, a sum of ₹ 625.35 Crore (Previous Year ₹ 564.83 Crore) has been provided upto date where uncertainties are attached and ₹ 753.93 Crore (Previous Year ₹ 682.39 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(25), 34(26) 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 ₹ 2172.97 Crore (Previous Year ₹ 5177.50 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(11) 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 Capital Work in Progress includes a cummulative expenditure of ₹ 6638.37 crore (Previous Year ₹ 6317.39 crore) in respect of Subansiri Lower Project where construction activities have been interrupted with effect from 16.12.2011 due to protest of anti-dam activists and the matter is pending with National Green Tribunal. **(Refer Note 34(23A))**

2.2.8 Refer Note no. 34(5), 34(19), 34(27) and 34(29) of Consolidated Financial Statement.

NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION/ 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 – 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 amounting to ₹ 251.20 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. 9.81 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 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(11) of Consolidated Financial Statements for information of non-current assets equitably mortgaged/ hypothecated with banks as security for related borrowings.

2.3.4 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.3.5 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.

2.3.6 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/ 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 – 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 01.04.2019	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. 2.4 INVESTMENT PROPERTY

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
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 31.03.2019	For the year ended 31.03.2018
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 31.03.2019	As at 31.03.2018
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-2 of fair valuation hierarchy.

NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK						AMORTISATION					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 – 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	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 – 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. 2.5 INTANGIBLE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Right to Use	2,099.38	9.53	-	(5.44)	2,103.47	182.10	65.59	0.88	248.57	1,854.90	1,917.28
Computer Software	9.50	0.85	-	-	10.35	8.09	1.25	0.01	9.35	1.00	1.41
Total	**2,108.88**	**10.38**	**-**	**(5.44)**	**2,113.82**	**190.19**	**66.84**	**0.89**	**257.92**	**1,855.90**	**1,918.69**
Previous Year	2,110.50	1.88	-	(3.50)	2,108.88	126.30	63.89	-	190.19	1,918.69	

Note : 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 01.04.2018	Addition	Deduction	Adjust-ment	As at 31.03.2019	As at 01.04.2018	For the year	Adjust-ment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Right to Use	2,452.79	9.53	-	(6.33)	2,455.99	535.51	65.59	-	601.10	1,854.89	1,917.28
Computer Software	47.68	0.85	0.33	(0.07)	48.13	46.27	1.25	(0.40)	47.12	1.01	1.41
Total	**2,500.47**	**10.38**	**0.33**	**(6.40)**	**2,504.12**	**581.78**	**66.84**	**(0.40)**	**648.22**	**1,855.90**	**1,918.69**
Previous Year	2,502.11	1.88	0.02	(3.50)	2,500.47	517.91	63.89	(0.02)	581.78	1,918.69	

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-20	31-Mar-19	31-Mar-20	31-Mar-19
National High Power Test Laboratory Private Limited (NHPTL) Joint Venture	India	Equity Method	20.00%	20.00%	22.06	26.08
Chenab Valley Power Projects (P) Limited. (CVPPL) Joint Venture	India	Equity Method	49.89%	51.94%	911.47	766.57
Total Equity accounted investments					**933.53**	**792.65**

Explanatory Note:

1. During the year, the company has further invested ₹ 140.45 crore and its joint venturer JKPDC has invested ₹ 200.45 crore in Chenab Valley Power Project Ltd. (CVPPL), as a result of which the company's shareholding decreased from 51.94% to 49.89%. CVPPL continues to be a Joint Venture owing to control exercised jointly with the other joint venturer, pursuant to the Joint Venture agreement. Loss due to reduction in proportionate net asset value of equity held by the company aggregating to ₹ 1.76 Crore consequent to said dilution in equity share holding has been recognised under the equity method of accounting as per Ind AS 28 and included under "Other Expenses" for the year ended 31.03.2020.

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-20	31-Mar-19
National High Power Test Laboratory Private Limited (NHPTL) Joint Venture	(4.01)	(1.74)
Chenab Valley Power Projects (P) Limited. (CVPPL) Joint Venture	7.05	6.98
TOTAL	**3.04**	**5.24**

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-20	31-Mar-19
National High Power Test Laboratory Private Limited (NHPTL) Joint Venture	(0.01)	(0.01)
Chenab Valley Power Projects (P) Limited. (CVPPL) Joint Venture	-	-
TOTAL	**(0.01)**	**(0.01)**

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-20	31-Mar-19	31-Mar-20	31-Mar-19
Current Assets				
Cash & Cash Equivalents	2.53	12.77	102.40	259.82
Other Assets	10.46	4.91	113.70	16.40
Total Current Assets	12.99	17.68	216.10	276.22
Total non-current assets	337.28	336.34	1,921.07	1,413.30
Total Assets (A)	**350.27**	**354.02**	**2,137.17**	**1,689.52**
Current Liabilities				
Financial Liabilities (excluding Trade payables)	60.43	58.58	25.42	118.74
Other Liabilities	2.52	2.07	269.47	89.50
Total current liabilities	62.95	60.65	294.89	208.24
Non-current liabilities				
Financial Liabilities (excluding trade payables)	176.77	162.81	4.07	0.72
Other liabilities	0.24	0.17	5.62	3.08
Total non-current liabilities	177.01	162.98	9.69	3.80
Total Liabilities (B)	**239.96**	**223.63**	**304.58**	**212.04**
Net Assets (A-B)	**110.31**	**130.39**	**1,832.59**	**1,477.48**

2. Reconciliation to Carrying Amounts

(₹ in crore)

	NHPTL		CVPPL	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Opening Net Assets	130.39	139.16	1,477.48	1,076.68
Profit for the year	(21.38)	(8.72)	14.22	13.06
Other comprehensive income	(0.04)	(0.05)	-	-
Equity Contribution	-	-	340.90	387.74
Adjustment in other equity (Opening)	1.35			
Closing net assets	**110.32**	**130.39**	**1,832.60**	**1,477.48**
Group's share (in %)	20.00%	20.00%	49.89%	51.94%
Group's share	22.06	26.08	914.29	767.39
Goodwill/(Capital Reserve)	-	-	-	1.14
Carrying Amount	**22.06**	**26.08**	**914.29**	**768.53**
Less:-Profit on intra group transaction	**0.00**	**0.00**	**2.82**	**1.96**
Net Carrying amount	**22.06**	**26.08**	**911.47**	**766.57**

3. Summarised statement of Profit & Loss

(₹ in crore)

	NHPTL		CVPPL	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Revenue	11.36	26.03	-	-
Interest Income	0.19	0.41	20.86	20.45
Depreciation & Amortisation	7.65	8.37	-	-
Interest Expense	16.67	15.83	-	-
Other Expenditure	8.62	10.96	1.38	1.43
Income Tax Expense	-	-	5.27	5.96
Profit from continuing operations	**(21.39)**	**(8.72)**	**14.21**	**13.06**
Profit for the year	**(21.39)**	**(8.72)**	**14.21**	**13.06**
Other Comprehensive income	(0.04)	(0.05)	-	-
Total Comprehensive Income	(21.43)	(8.77)	14.21	13.06

NOTE NO. 3.1 NON CURRENT INVESTMENTS

(₹ in crore)

Particulars	As at 31st March 2020		As at 31st March 2019	
	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				
Indian Overseas Bank (Fully Paid Up) (Face Value of ₹ 10/- each)	360800	0.25	360800	0.52
PTC India Limited. (Fully Paid Up) (Face Value of ₹ 10/- each)	12000000	46.32	12000000	88.14
Total (A)		**46.57**		**88.66**
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	162.76	150000	157.11
8.20% Oil Marketing Companies GOI Special Bonds 15 September 2024 (Per Unit Value of ₹ 10000/- each)	12380	13.36	12380	12.90
8.28% GOI 21 September 2027 (Per Unit Value of ₹ 10000/- each)	57000	62.52	57000	59.77
8.26% GOI 02 August 2027 (Per Unit Value of ₹ 10000/- each)	17940	19.67	17940	18.76
8.28% GOI 15 February 2032 (Per Unit Value of ₹ 10000/- each)	35000	39.38	35000	36.89
8.32% GOI 02 August 2032 (Per Unit Value of ₹ 10000/- each)	34000	38.24	34000	35.99
Sub-total (a)		**335.93**		**321.42**
(b) Bonds of Public Sector Undertaking/Public Financial Institution & Corporates				
7.41% IIFCL Tax Free Bonds 15 November 2032 (Per Unit Value of ₹ 10,00,000/- each)	120	13.79	120	13.89
8.12% REC Tax Free Bonds 27 March 2027 (Per Unit Value of ₹ 1000/- each)	100000	11.94	100000	11.83
8.48% NHAI TAX FREE 22 November 2028 (Per Unit Value of ₹ 10,00,000/- each)	473	55.90	473	54.40
Sub-total (b)		**81.63**		**80.12**
Total (C) (a+b)		**417.56**		**401.54**
Total (A+B)		**464.13**		**490.20**

3.1.1 (i) Aggregate amount and market value of quoted investments	464.13	490.20
(ii) Aggregate amount of unquoted investments	-	-

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 Debenture maturing during the Financial Year 2020-21.

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 - TRADE RECEIVABLES

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Trade Receivables - Considered Good- Unsecured	-	61.51
Total	**-**	**61.51**

NOTE NO. 3.3 NON-CURRENT - FINANCIAL ASSETS - LOANS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
	At Amortised Cost		
A	**Deposits**		
	- Considered good- Unsecured	24.55	23.52
	Sub-total	**24.55**	**23.52**
B	**Loans to Employees (Refer Note 3.3.1)**		
	- Considered good- Secured	117.05	123.85
	- Considered good- Unsecured	3.41	2.71
	Sub-total	**120.46**	**126.56**
C	**Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.3.2 and 3.3.4)**		
	- Considered good- Unsecured	675.80	620.00
	Sub-total	**675.80**	**620.00**
	TOTAL	**820.81**	**770.08**

3.3.1	Due from directors or other officers of the company.	Nil	Nil
3.3.2	Loan to Government of Arunachal Pradesh includes :		
	- Principal	225.00	225.00
	- Interest	450.80	395.00

3.3.3 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.

3.3.4 Represents loan granted for business purpose.

3.3.5 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

NOTE NO. 3.4 NON-CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A	Bank Deposits with more than 12 Months Maturity **(Refer Note 3.4.1 and 3.4.2)**	394.75	77.32
B	Lease Rent receivable **(Refer Note 34(18(B))**	5,111.73	5,355.41
C	Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.4.3 and 11(H))**	2,017.20	2,017.20
D	Interest accrued on:		
	- Bank Deposits with more than 12 Months Maturity	9.88	3.61
E	Derivative Mark to Market Asset	33.71	
	TOTAL	**7,567.27**	**7,453.54**

3.4.1	Bank Deposits with more than 12 Months Maturity include an amount under lien with banks as per orders of Hon'ble Court of Law, which is not freely available for the business of the Company included in stated amount.	Nil	3.77
3.4.2	Bank Deposits with more than 12 Months Maturity include an amount under lien with banks for non fund based credit, which is not freely available for the business of the Company included in stated amount.	1.00	Nil

3.4.3 Refer Note 16.2.1 in respect of amount payable towards Bonds fully serviced by Government of India.

3.4.4 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.

NOTE NO. 4 NON CURRENT TAX ASSETS (NET)

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Advance Income Tax including Tax Deducted at Source	1,664.22	1,843.70
Less: Provision for Current Tax	1,510.93	1,697.83
TOTAL	**153.29**	**145.87**

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A.	**CAPITAL ADVANCES**		
	- Considered good- Secured	45.06	1.22
	- Considered good- Unsecured		
	– Against bank guarantee	164.73	255.49
	– Others (Refer Note 5.1)	199.53	244.00
	Less : Expenditure booked pending utilisation certificate	30.28	42.68
	- Considered doubtful- Unsecured	145.58	4.50
	Less : Allowances for doubtful advances (Refer Note 5.2)	145.58	4.50
	Sub-total	**379.04**	**458.03**
B.	**ADVANCES OTHER THAN CAPITAL ADVANCES**		
i)	**DEPOSITS**		
	- Considered good- Unsecured	1.30	0.53
	- Considered doubtful - Unsecured	0.04	0.04
	Less : Allowances for Doubtful Deposits (Refer Note 5.3)	0.04	0.04
	Sub-total	**1.30**	**0.53**
ii)	**Other advances**		
	- Considered good- Unsecured	0.67	0.83
	Sub-total	**0.67**	**0.83**
C.	**Interest accrued**		
	Others		
	- Considered Good	47.97	-
	Sub-total	**47.97**	**-**
D.	**Others**		
i)	**Advance against arbitration awards towards capital works (Unsecured)**		
	Released to Contractors - Against Bank Guarantee	697.09	617.39
	Released to Contractors - Others	34.61	34.61
	Deposited with Court	1,222.90	334.24
	Sub-total	**1,954.60**	**986.24**
ii)	**Deferred Foreign Currency Fluctuation Assets/ Expenditure**		
	Deferred Foreign Currency Fluctuation Assets	468.37	398.56
	Deferred Expenditure on Foreign Currency Fluctuation	131.53	130.91
	Sub-total	**599.90**	**529.47**
iii)	**Deferred Cost on Employees Advances**	**54.69**	**59.01**
	TOTAL	**3,038.17**	**2,034.11**

5.1 Capital Advances- Others includes an amount of ₹ Nil (Previous year ₹ 41.34 Crore) deposited with Himachal Pradesh Government for acquisition of land to compensate villagers for damaged house/shops due to leakage/seepage of water from Chamera-III Power Station.

Particulars	As at 31st March 2020	As at 31st March 2019
5.2 Allowances for doubtful Advances		
Opening Balance	4.50	4.50
Addition during the year	135.38	-
Adjustment	5.82	-
Used during the year	-	-
Reversed during the year	0.13	-
Closing balance	**145.58**	**4.50**
5.3 Allowances for doubtful Deposits		
Opening Balance	0.04	0.04
Closing balance	**0.04**	**0.04**

5.4 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

NOTE NO. 6 INVENTORIES

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
(Valued at lower of Cost or Net Realisable Value)		
Stores and spares	124.67	123.51
Stores in transit/ pending inspection	1.00	2.06
Loose tools	2.51	2.43
Scrap inventory	1.42	0.43
Material at site	4.93	4.96
Material issued to contractors/ fabricators	-	0.02
Less: Allowances for Obsolescence and Diminution in Value **(Refer Note 6.1)**	7.91	8.23
TOTAL	**126.62**	**125.18**
6.1 Allowances for Obsolescence and Diminution in Value		
Opening Balance	8.23	9.06
Addition during the year **(Refer Note 6.1.1)**	0.26	0.87
Used during the year	0.19	0.38
Reversed during the year **(Refer Note 6.1.2)**	0.39	1.32
Closing balance	**7.91**	**8.23**
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.	0.26	0.87
6.1.2 Allowances for Obsolence and Diminution in value of inventory booked in earlier years and reversed during the year.	0.39	1.32

NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
- Trade Receivables- Considered Good- Unsecured **(Refer Note 7.2, 7.3,7.5 and 7.6)**	3,816.44	2,838.00
- Trade Receivables- Credit Impaired **(Refer Note 7.2 and 7.3)**	37.71	37.71
Less: Impairment allowances for Trade Recevables (Refer Note 7.1)	37.71	37.71
TOTAL	**3,816.44**	**2,838.00**

Particulars	As at 31st March 2020	As at 31st March 2019
7.1 Impairment allowances for Trade Receivables		
Opening Balance	37.71	37.71
Closing balance	**37.71**	**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 ₹ 714.31 Crore (Previous year ₹ Nil 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 20.1.2 with regard to liability recognised in respect of discounted bills.

7.6 Trade Receivables Unsecured- considered good includes dues agreed for deferment receivable in equated monthly instalments along-with applicable interest, as per agreement.	Nil	120.89

7.7 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 2020	As at 31st March 2019
A	**Balances with banks**		
	With scheduled banks		
	- In Current Account	41.11	25.02
	- In deposits account		
	(Deposits with original maturity of less than three months)	1.05	-
B	**Cheques, drafts on hand**	-	0.01
C	**Cash on hand (Refer Note 8.1)**	0.01	0.01
	TOTAL	**42.17**	**25.04**
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 2020	As at 31st March 2019
A	Bank Deposits for original maturity more than 3 months upto 12 months **(Refer Note 9.1)**	1,539.67	2,095.44
B	Deposit -Unpaid Dividend	22.64	19.17
C	Deposit -Unpaid Interest	86.90	86.92
D	Other Earmarked Balances with Banks **(Refer Note 9.2 and 9.3)**	1.89	18.68
	TOTAL	**1,651.10**	**2,220.21**

Particulars		As at 31st March 2020	As at 31st March 2019
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	268.78	253.82
	ii) under lien with banks for availing short term borrowings, which is not freely available for the business of the Company	-	10.00
	iii) representing deposit by Oustees towards Land for Land in respect of Omkareshwar Project, which is not freely available for the business of the Company.	0.35	2.64
	iv) under lien with banks as per orders of Hon'ble Court of Law, which is not freely available for the business of the Company	6.88	7.89
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.	1.36	18.18
	(ii) NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.	0.53	0.50

9.3 Earmarked balances with banks amounting to Rs. 18.68 Crore as on 31.3.2019 has been reclassified from "Cash and Cash Equivalents" to "Bank Balances Other Than Cash and Cash Equivalents".

NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A	**Deposits**		
	- Unsecured (considered good)	0.48	0.62
	Sub-total	**0.48**	**0.62**
B	**Loan (including interest thereon) to Related Party - Unsecured (considered good) (Refer Note 34(10)** - National High Power Test Laboratory (P) Limited	6.27	6.00
	Sub-total	**6.27**	**6.00**
C	**Employees Loan (including accrued interest) (Refer Note 10.2)**		
	- Loans Receivables- Considered good- Secured	15.64	17.62
	- Loans Receivables- Considered good- Unsecured	28.62	24.57
	- 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	**44.26**	**42.19**
	TOTAL	**51.01**	**48.81**

10.1	**Impairment Allowances for loan which have significant increase in Credit Risk**		
	Opening Balance	0.01	0.03
	Reversed during the year	-	0.02
	Closing balance	**0.01**	**0.01**
10.2	Due from directors or other officers of the company.	0.05	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(17) of the Consolidated Financial Statement with regard to confirmation of balances.

NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A	Amount Recoverable **(Refer Note 11.4)**	770.97	543.11
	Less: Allowances for Doubtful Recoverables **(Refer Note 11.1)**	285.78	203.43
	Sub-total	**485.19**	**339.68**
B	Interest Income accrued on Bank Deposits	56.33	60.16
C	Receivable on account of unbilled revenue **(Refer Note 11.2)**	2,589.41	1,524.14
D	Receivable from Joint Ventures **(Refer Note 11.3)**	43.00	95.46
E	Interest recoverable from beneficiaries	3.52	2.79
F	Lease Rent receivable (Finance Lease) **(Refer Note 34 (18)(B))**	117.50	213.86
G	Interest Accrued on Investments (Bonds)	2.52	2.52
H	Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.4(C))**		
	- Interest accrued	4.48	4.49
	TOTAL	**3,301.95**	**2,243.10**
11.1	**Allowances for Doubtful Recoverables**		
	Opening Balance	203.43	210.41
	Addition during the year	85.69	4.84
	Adjustment	-	(1.75)
	Used during the year	-	0.22
	Reversed during the year	3.34	9.85
	Closing balance	**285.78**	**203.43**
11.2	**Represents receivable on account of :**		
	Grossing up of Return on Equity	(40.78)	53.15
	Water cess	647.12	264.34
	Unbilled sale for the month of March	558.69	455.15
	Annual Fixed Charges pending revision/ approval -Parbati-III Power Station	-	16.11
	Annual Fixed Charges pending revision/ approval -Chamera-III Power Station	-	2.83
	Annual Fixed Charges pending revision/ approval-Sewa-II Power Station	-	214.04
	Annual Fixed Charges pending revision/ approval-TLDP-IV Power Station	128.65	93.43
	Annual Fixed Charges pending revision/ approval-Omkareshwar Power Station	10.86	-
	Saving due to refinancing and Bond Issue Expenses	(2.66)	(58.77)
	Tax adjustment including Deferred Tax Materialized	196.01	128.10
	Energy Shortfall	383.58	151.75
	Additional Impact of Goods and Services Tax	112.59	55.83
	Operation and Maintenance Expenses - Bairasiul	-	40.14
	Foreign Exchange Rate Variation	43.68	93.67
	O & M and Security Expenses-Incresae as per new Tariff Regulation 2019-24	257.46	-
	Depreciation on account of change in project life	(47.91)	-

Particulars	As at 31st March 2020	As at 31st March 2019
Wage Revision	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	83.89	-
Rate revision - TLDP-III Power Station	(123.18)	-
OTHERS	9.67	14.37
TOTAL	**2,589.41**	**1,524.14**

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 Amount recoverable (at 'A' above) includes a sum of ₹ 43.50 crore (As on 31.03.2019 ₹ 22.00 crore) due from Government of Madhya Pradesh as per details in Other Explanatory Notes to Accounts (Refer para no. 7 Note 34). Further it includes duplicate payments recoverable from oustees of ₹ 0.03 crore (As on 31.03.2019 ₹ 0.03 crore) already provided for.

11.5 Refer Note 34(17) of the Consolidated Financial Statement.

NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Current Tax Assets		
Current Tax **(Refer Note No-23)**	84.16	111.85
Total	**84.16**	**111.85**

NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A.	**Advances other than Capital Advances**		
a)	**Deposits**		
	- Considered good- Unsecured	31.47	93.82
	Less : Expenditure booked against demand raised by Government Departements	0.10	0.10
	- Considered doubtful- Unsecured	0.01	0.01
	Less : Allowances for Doubtful Deposits **(Refer Note 13.1)**	0.01	0.01
	Sub-total	**31.37**	**93.72**
b)	**Advance to contractors and suppliers (Refer Note 13.7)**		
	- Considered good- Secured	0.76	0.14
	- Considered good- Unsecured		
	– Against bank guarantee	13.40	13.30
	– Others	60.77	25.64
	Less : Expenditure booked pending utilisation certificate	12.26	0.14
	- Considered doubtful- Unsecured	45.52	45.52
	Less : Allowances for doubtful advances (Refer Note 13.2)	45.52	45.52
	Sub-total	**62.67**	**38.94**
c)	**Other advances - Employees**		
	- Considered good- Unsecured **(Refer Note 13.6)**	2.94	0.90
	Sub-total	**2.94**	**0.90**

	Particulars	As at 31st March 2020	As at 31st March 2019
d)	**Interest accrued**		
	Others		
	- Considered Good	67.45	11.05
	- Considered Doubtful	-	108.90
	Less: Allowances for Doubtful Interest **(Refer Note 13.3)**	-	108.90
	Sub-total	**67.45**	**11.05**
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	11.49	39.25
	Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.5)**	11.49	39.25
	Sub-total	**-**	**-**
c)	**Prepaid Expenditure**	141.35	102.32
d)	**Deferred Cost on Employees Advances**	5.64	5.96
e)	**Deferred Foreign Currency Fluctuation**		
	Deferred Foreign Currency Fluctuation Assets	38.32	30.83
	Deferred Expenditure on Foreign Currency Fluctuation	1.71	7.93
f)	**Surplus / Obsolete Assets (Refer Note 13.8)**	5.53	3.66
g)	**Goods and Services Tax Input Receivable**	15.47	13.82
h)	**Income Tax Refundable**	90.95	40.19
i)	**Others (Mainly on account of Material Issued to Contractors)**	35.59	23.41
	TOTAL	**498.99**	**372.73**
13.1	**Allowances for Doubtful Deposits**		
	Opening Balance	0.01	-
	Addition during the year	-	0.01
	Closing balance	**0.01**	**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	104.11
	Addition during the year	-	19.44
	Reversed during the year	108.90	14.65
	Closing balance	**-**	**108.90**
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	39.25	38.96
	Addition during the year	0.26	0.15
	Adjustment	1.24	1.75
	Used during the year	29.08	0.37
	Reversed during the year	0.18	1.24
	Closing balance	**11.49**	**39.25**
13.6	Loans and Advances due from Directors or other officers at the end of the year.	Nil	Nil
13.7	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	Nil	Nil

13.8 Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.

13.9 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 2020	As at 31st March 2019
A	**Regulatory Deferral Account Balances in respect of Subansiri Lower Project**		
	Opening Balance	3,267.34	3,172.81
	Addition during the year **(Refer Note 31)**	203.25	94.53
	Closing balance	**3,470.59**	**3,267.34**
B	**Wage Revision as per 3rd Pay Revision Committee**		
	Opening Balance	670.93	450.50
	Addition during the year (through Statement of Profit and Loss) **(Refer Note 31)**	-	220.43
	Closing balance	**670.93**	**670.93**
C	**Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff**		
	Opening Balance	171.98	-
	Addition during the year **(Refer Note 31)**	195.62	171.98
	Closing balance	**367.60**	**171.98**
D	**Exchange Differences on Monetary Items**		
	Opening Balance	(0.97)	(0.40)
	Addition during the year **(Refer Note 31)**	0.99	(0.57)
	Closing balance	**0.02**	**(0.97)**
E	**Adjustment against Deferred Tax Recoverable for tariff period upto 2009**		
	Opening Balance	2,034.82	2,186.70
	Used during the year **(Refer Note 31)**	167.99	151.88
	Closing balance	**1,866.83**	**2,034.82**
F	**Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.**		
	Opening Balance	835.04	326.11
	Addition during the year **(Refer Note 31)**	69.46	508.93
	Reversed during the year **(Refer Note 31)**	67.41	-
	Closing balance	**837.09**	**835.04**
	Closing Balance (A+B+C+D+E+F)	**7,213.06**	**6,979.14**
	Less: Deferred Tax on Regulatory Deferral Account Balances	(320.96)	(340.62)
	Add: Deferred Tax recoverable from Beneficiaries	(320.96)	(340.62)
	Regulatory Deferral Account Balances net of Deferred Tax.	**7,213.06**	**6,979.14**

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 2020	As at 31st March 2019
Minimum Alternate Tax Credit Entitlement		
Opening Balance	-	-
Addition during the year (Refer Note 31)	474.42	-
Closing Balance	**474.42**	**-**

14.2.1 Refer Note 34(23) of Consolidated Financial Statement.

NOTE NO. 15.1 EQUITY SHARE CAPITAL

Particulars	As at 31st March 2020		As at 31st March 2019	
	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 2020		As at 31st March 2019	
	Nos	Amount (₹ in Crore)	Nos	Amount (₹ in Crore)
Opening Balance	10045034805	10,045.03	10259320519	10,259.32
Less:-Buyback of shares during the year	-	-	214285714	214.29
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, 2020		As at 31st March, 2019	
	Number	In (%)	Number	In (%)
- President of India	7126772676	70.95%	7365964993	73.33%
- Life Insurance Corporation of India	736631947	7.33%	734379599	7.31%

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 2020	As at 31st March 2019
(i)	**Capital Reserve (Refer Note 34 (32))**	40.93	-
(ii)	**Capital Redemption Reserve**	-	
	As per last Balance Sheet	2,255.71	2,041.42
	Add: Transfer from General Reserve	-	214.29
	As at Balance Sheet date	**2,255.71**	**2,255.71**
(iii)	**Securities Premium**		
	As per Last Balance Sheet	-	242.81
	Less: Utilisation for buy-back of equity shares	-	242.81
	As at Balance Sheet date	**-**	**-**
(iv)	**Bond Redemption Reserve**		
	As per last Balance Sheet	2,193.35	2,129.55
	Add: Transfer to Surplus / Retained Earnings	-	308.77
	Less: Write back during the year	244.97	244.97
	As at Balance Sheet date	**1,948.38**	**2,193.35**

	Particulars	As at 31st March 2020	As at 31st March 2019
(v)	**Corporate Social Responsibility Fund**		
	As per last Balance Sheet	11.38	23.29
	Add: Transfer from Surplus	0.22	-
	Less: Write back during the year	7.99	11.91
	As at Balance Sheet date	**3.61**	**11.38**
(vi)	**Research & Development Fund**		
	As per last Balance Sheet	-	16.97
	Less: Write back during the year	-	16.97
	As at Balance Sheet date	**-**	**-**
(vii)	**General Reserve**		
	As per last Balance Sheet	11,417.14	10,224.43
	Add: Transfer from Surplus/Retained Earnings	127.69	1,547.44
	Add: Transfer from Research & Development Fund	-	8.66
	Less: Tranfer to Capital Redemption Reserve	-	214.29
	Less: Utilization for Buyback of Equity Shares and related expenses	-	149.10
	As at Balance Sheet date	**11,544.83**	**11,417.14**
(viii)	**Surplus/Retained Earnings**		
	As per last Balance Sheet	4,768.82	4,982.91
	Add: Profit during the year	2,874.61	2,595.61
	Add: Other Comprehensive Income during the year	28.40	1.56
	Add: Amount written back from Bond Redemption Reserve	244.97	244.97
	Add: Amount written back from Corporate Social Responsibility Fund	4.08	6.09
	Less: Dividend (Final and Interim) **(Refer Note 33(3)(C))**	1,938.69	1,000.46
	Less: Tax on Dividend **(Refer Note 33(3)(C))**	398.50	205.65
	Less: Transfer to Bond Redemption Reserve	-	308.77
	Less: Transfer to General Reserve	127.69	1,547.44
	Less: Transfer to Corporate Social Responsibility Fund	0.11	-
	Add: Transactions with NCI	(0.16)	-
	As at Balance Sheet date	**5,455.73**	**4,768.82**
(ix)	**FVTOCI-Equity Instruments**		
	As per last Balance Sheet	76.30	92.78
	Add:-Change in Fair value of FVTOCI (Net of Tax)	(42.09)	(16.48)
	As at Balance Sheet date	**34.21**	**76.30**
(x)	**FVTOCI-Debt Instruments**		
	As per last Balance Sheet	30.08	27.71
	Add:-Change in Fair value of FVTOCI (Net of tax)	12.10	2.37
	As at Balance Sheet date	42.18	30.08
	TOTAL	**21,325.58**	**20,752.78**

15.2.1 Nature and Purpose of Reserves

(i) **Capital Reserve :** The Company has acquired Lanco Teesta Hydro Power Limited (LTHPL) through National Company Law Tribunal (NCLT) during the year. The gain on bargain purchase of LTHPL 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) **Securities Premium :** Securities Premium represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

(iv) **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.

(v) **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.

(vi) **Research and development Fund** was created in earlier years for funding the Research and Development budget. During the year, the Research and Development Fund created by NHPC Limited, a subsidiary company of the group has been merged with Surplus/Retained Earnings.

(vii) **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.

(viii) **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.

(ix) **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.

(x) **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.

NOTE NO. 15.3 : NON-CONTROLLING INTERESTS (NCI)

(₹ in crore)

Name of Subsidiaries	31-Mar-20	31-Mar-19
NHDC Limited	2,719.74	2,827.02
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	38.43	35.74
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	5.71	5.71
Lanco Teesta Hydro Power Limited (LTHPL)	-	-
TOTAL	**2,763.88**	**2,868.47**

Explanatory Note:

a) INTERESTS IN OTHER ENTITIES

The group's subsidiaries at 31st March 2020 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

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-20	31-Mar-19	31-Mar-20	31-Mar-19	
		%	%	%	%	
NHDC Limited	India	51.08	51.08	48.92	48.92	Electricity generation
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	India	73.17	74.00	26.83	26.00	Electricity generation
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	India	99.99	99.99	0.01	0.01	Electricity generation
Lanco Teesta Hydro Power Limited (LTHPL) (w.e.f. 09.10.2019)#	India	100.00				Electricity generation

During the year, NHPC Limited acquired Lanco Teesta Hydro Power 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)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Current Assets	1,975.40	2,397.60	2.20	5.05	12.73	11.89	16.15	-
Current Liabilities	837.58	358.87	5.09	7.16	16.97	12.85	5.76	-
Net Current Assets	**1,137.82**	**2,038.73**	**-2.89**	**-2.11**	**-4.24**	**-0.96**	**10.39**	**-**
Non-current Assets	5,268.15	5,155.99	146.16	139.58	13.64	9.56	952.24	-
Regulatory Deferral Account Balance	376.85	486.53	-	-	-	-	-	-
Non-current Liabilities	**1,220.03**	**1,891.41**	**-**	**-**	**-**	**-**	**1.26**	**-**
Net Non-current Assets	**4,424.97**	**3,751.11**	**146.16**	**139.58**	**13.64**	**9.56**	**950.98**	**-**
Net Assets	**5,562.79**	**5,789.84**	**143.27**	**137.47**	**9.40**	**8.60**	**961.37**	**-**
Share Application money pending allotment	**-**	**-**	**-**	**-**	**5.71**	**5.71**	**-**	**-**
Earmarked Reserves	**3.61**	**11.38**	**-**	**-**	**-**	**-**	**-**	**-**
Total of Non Controlling Interest	**2,719.74**	**2,827.02**	**38.43**	**35.74**	**5.71**	**5.71**	**-**	**-**

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)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Revenue	1,494.57	1,037.30	0.18	0.93	0.01	0.02	-	-
Profit/(Loss) for the year	1,504.08	470.69	0.10	0.39	(0.19)	(0.20)	(0.06)	-
Regulatory Deferral Income	(584.11)	20.02			-	-	-	-
Other Comprehensive income	(1.87)	(0.25)	-	-	-	-	-	-
Total Comprehensive income	**918.10**	**490.46**	**0.10**	**0.39**	**(0.19)**	**(0.20)**	**(0.06)**	**-**
Profit allocated to NCI	450.09	240.08	0.03	0.10	-	-	-	-
Dividends (including DDT) paid to NCI	560.24	320.63	-	-	-	-	-	-

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)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Cash flows from operating activities	777.72	403.91	0.01	(0.44)	0.76	0.98	(0.30)	-
Cash flows from investing activities	385.80	230.50	(4.74)	0.57	(0.90)	(0.66)	(12.12)	-
Cash flows from financing activities	(1,155.69)	(635.44)	5.70	-	0.99	-	23.00	-
Net increase /(decrease) in cash and cash equivalents	**7.83**	**(1.03)**	**0.97**	**0.13**	**0.85**	**0.32**	**10.58**	**-**

NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
	At Amortised Cost		
A	**- Secured Loans**		
	-Bonds	14,532.79	11,635.59
	-Term Loan		
	- from Banks	500.00	200.00
	- from Other (Financial Institutions)	474.00	840.34
B	**- Unsecured Loans**		
	-Term Loan		
	- from Government of India (Subordinate Debts)	3,597.58	3,352.83
	- from Other (in Foreign Currency)	1,774.29	1,015.87
	Sub Total (A+B)	**20,878.66**	**17,044.63**
C	**Long Term maturities of Lease Obligations (Refer Note 34(18))**	13.14	-
	TOTAL (A+B+C)	**20,891.80**	**17,044.63**

16.1.1 Debt Covenants : Refer Note 33(3) with regard to capital Management.

16.1.2 Particulars of Redemption, Repayments and Securities.

(₹ in crore)

	16.1.2.A Particulars of redemptions, repayments and securities	As at 31st March 2020	As at 31st March 2019
(A)	**BONDS (Non-convertible and Non-cumulative)-Secured**		
i)	**TAX FREE BONDS- 3A SERIES (Refer Note 16.1.2.B(3&6))** (8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	336.07	336.07
ii)	**TAX FREE BONDS- 3B SERIES (Refer Note 16.1.2.B(3&6))** (8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	253.62	253.62
iii)	**BONDS- U SERIES (Refer Note 16.1.2.B(2&7))** (8.24% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)	540.00	540.00
iv)	**BONDS- U1 SERIES (Refer Note 16.1.2.B(2&7))** (8.17% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)	360.00	360.00
v)	**TAX FREE BONDS- 2A SERIES (Refer Note 16.1.2.B(3&6))** (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	213.12	213.12
vi)	**TAX FREE BONDS- 2B SERIES (Refer Note 16.1.2.B(3&6))** (8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	85.61	85.61
vii)	**BONDS-AA-1 SERIES (Refer Note 16.1.2.B (13))** (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). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual installments commencing from 11.03.2026.)	500.00	-

16.1.2.A Particulars of redemptions, repayments and securities		As at 31st March 2020	As at 31st March 2019
viii)	**BONDS-AA SERIES (Refer Note 16.1.2.B (13))** (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). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual installments commencing from 11.02.2026.)	1,500.00	-
ix)	**BONDS-Y-1 SERIES (Refer Note 16.1.2.B (13))** (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). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual installments commencing from 03.01.2026.	500.00	-
x)	**BONDS-Y SERIES (Refer Note 16.1.2.B (12)** (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.) (Bond issue amount of ₹ 1500 crores redeemable in 5 equal annual installments commencing from 07.10.2025.)	1,500.00	-
xi)	**TAX FREE BONDS- 1A SERIES (Refer Note 16.1.2.B(3&6))** (8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	50.81	50.81
xii)	**TAX FREE BONDS- 1B SERIES (Refer Note 16.1.2.B(3&6))** (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	60.77	60.77
xiii)	**BONDS-W2 SERIES (Refer Note 16.1.2.B(10))** (7.35% 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). (5 Yearly redemptions of ₹ 150.00 crore each w.e.f. 15.09.2023 to 15.09.2027)	750.00	750.00
xiv)	**BONDS-V2 SERIES (Refer Note 16.1.2.B(3))** (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). (5 Yearly redemptions of ₹ 295.00 crore each w.e.f. 06.06.2023 to 06.06.2027)	1,475.00	1,475.00
xv)	**BONDS-X SERIES (Refer Note 16.1.2.B(1&3))** (8.65% p.a. 10 year Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each Redeemable in 7 equal yearly installments). (Bond issue amount of ₹ 1500 Crores redeemable in 7 equal annual insallments commencing from 08.02.2023. Date of redemption 08.02.2029).	1,500.00	1,500.00
xvi)	**BONDS-T SERIES (Refer Note 16.1.2.B(1,2 and 7))** (8.50% 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). (11 Yearly redemptions of ₹ 122.91 crore each w.e.f. 14.07.2019 to 14.07.2030)	1,352.01	1,474.92
xvii)	**BONDS-R-3 SERIES (Refer Note 16.1.2.B(3))** (8.78% p.a. 15 year 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). (Bond issue amount of ₹ 892.00 Crores redeemable in 10 equal annual installments commencing from 11.02.2019. As on 31.03.2020, 8 annual installments of ₹ 89.20 Crores each are outstanding.)	713.60	802.80

16.1.2.A Particulars of redemptions, repayments and securities	As at 31st March 2020	As at 31st March 2019
xviii) BONDS-S-2 SERIES (Refer Note 16.1.2.B(7)) (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). (Bond issue amount of ₹ 660.00 Crores redeemable in 12 equal annual installments commencing from 26.11.2018. As on 31.03.2020, 10 annual installments of ₹ 55.00 crore each are outstanding.	550.00	605.00
xix) BONDS-W1 SERIES (Refer Note 16.1.2.B(10)) (6.91% p.a. 5 year 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). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual installments commencing from 15.09.2018. As on 31.03.2020, 3 annual installments of ₹ 300 Crores each are outstanding).	900.00	1,200.00
xx) BONDS-V SERIES (Refer Note 16.1.2.B(3)) (6.84% p.a. 5 year 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) (5 Yearly redemptions of ₹ 155.00 Crore each w.e.f. 24.01.2018 to 24.01.2022. As on 31.03.2020, 2 annual installments of ₹ 155 Crores each are outstanding).	310.00	465.00
xxi) BONDS-Q SERIES (Refer Note 16.1.2.B(4&8)) (9.25% p.a. 15 year 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). (Bond issue amount of ₹ 1266.00 Crores redeemable in 12 equal annual insallments commencing from 12.03.2016. As on 31.03.2020, 7 annual installments of ₹ 105.50 Crores each are outstanding).	738.50	844.00
xxii) BONDS-R-2 SERIES (Refer Note 16.1.2.B(3)) (8.85% p.a. 14 year 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). (Bond issue amount of ₹ 382.08 Crores redeemable in 12 equal annual insallments commencing from 11.02.2016. As on 31.03.2020, 7 annual installments of ₹ 31.84 Crores each are outstanding).	222.88	254.72
xxiii) BONDS-P SERIES (Refer Note 16.1.2.B(3,5 &6)) (9.00% p.a. 15 Year 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 31.03.2020, 5 annual installments of ₹ 200 Crores each are outstanding).	1,000.00	1,200.00
xxiv) BONDS-S-1 SERIES (Refer Note 16.1.2.B(7)) (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) (Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual insallments commencing from 26.11.2015. As on 31.03.2020, 5 annual installments of ₹ 36.50 Crores each are outstanding).	182.50	219.00
xxv) BONDS-R-1 SERIES (Refer Note 16.1.2.B(3)) (8.70% p.a. 13 year 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). (Bond issue amount of ₹ 82.20 Crores redeemable in 12 equal annual insallments commencing from 11.02.2015. As on 31.03.2020, 6 annual installments of ₹ 6.85 Crores each are outstanding).	41.10	47.95
Total Bonds	**15,635.59**	**12,738.39**
Less Current Maturities	**1,102.80**	**1,102.80**
Bonds - Net of current maturities (A)	**14,532.79**	**11,635.59**

16.1.2.A Particulars of redemptions, repayments and securities		As at 31st March 2020	As at 31st March 2019
(B)	**TERM LOANS - Secured (Banks)**		
i)	**ORIENTAL BANK OF COMMERCE (Refer Note 16.1.2.B(2))** (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 31.03.2020. As on 31.03.2020, 1 annual installments of ₹ 10 Crores each are outstanding.)	10.00	20.00
ii)	**STATE BANK OF INDIA (Refer Note 16.1.2.B(11))** (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 of 8.00% p.a. as on 31.03.2020).	500.00	190.00
	Total Term Loan - Banks (Secured)	**510.00**	**210.00**
	Less Current Maturities	10.00	10.00
	Term Loan - Banks Net of current maturities (B)	**500.00**	**200.00**
(C)	**Term Loan-From other (Secured)**		
i)	**LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(3&5))** (Repayable in 2 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% p.a. on ₹ 200 Crore as on 31.03.2020)	208.33	416.67
ii)	**LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(4&8))** (Repayable in 8 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a. as on 31.03.2020)	632.00	790.00
	Total Term Loan - Other Parties (Secured)	**840.33**	**1,206.67**
	Less Current Maturities	366.33	366.33
	Term Loan - Other Net of current maturities (C)	**474.00**	**840.34**
(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** (Repayable in 18 equal annual instalments of ₹ 29.0577 Crore each from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)	424.54	420.78
ii)	**Subordinate Debt from Government of India for Chutak Power Station** (Repayable in 24 equal annual instalments of ₹ 23.11 Crore each from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.)	442.14	460.18
iii)	**Subordinate Debt from Government of India for Kishanganga Power Station** (Repayable in 10 equal annual instalments of ₹ 364.458 Cr. 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)	2,754.01	2,494.98
	Total Term Loan -Government (Unsecured)	**3,620.69**	**3,375.94**
	Less Current Maturities	23.11	23.11
	Term Loan - Other Parties Net of current maturities (D)	**3,597.58**	**3,352.83**
(E)	**TERM LOANS - From Others- Foreign Currency (Unsecured)**		
i)	**Japan International Cooperation Agency Tranche-I (Refer Note 16.1.2.B(9))** (Repayable in 12 equal half yearly instalments of ₹ 8.56 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2020)	102.67	107.47
ii)	**Japan International Cooperation Agency Tranche-II (Refer Note 16.1.2.B(9))** (Repayable in 16 equal half yearly instalments of ₹ 28.07 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2020)	449.07	453.29
iii)	**Japan International Cooperation Agency Tranche-III (Refer Note 16.1.2.B(9))** (Repayable in 28 equal half yearly instalments of ₹ 20.73 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2020)	580.49	558.03
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.)	756.77	-

16.1.2.A Particulars of redemptions, repayments and securities	As at 31st March 2020	As at 31st March 2019
Total Term Loan -Other Parties -Foreign Currency (Unsecured)	**1,889.00**	**1,118.79**
Less Current Maturities	114.71	102.92
Term Loan - Other Parties- Foreign Currency (Unsecured) (E)	**1,774.29**	**1,015.87**
Grand Total (A+B+C+D+E)	**20,878.66**	**17,044.63**

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.

NOTE NO. 16.2 FINANCIAL LIABILTIES - NON CURRENT - OTHERS

(₹ in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Payable towards Bonds Fully Serviced by Government of India **(Refer Note 16.2.1)**		
- Principal	2,017.20	2,017.20
Retention Money	43.09	42.24
TOTAL	**2,060.29**	**2,059.44**

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-3.4**.

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 2020	As at 31st March 2019
A.	**PROVISION FOR EMPLOYEE BENEFITS**		
i)	**Provision for Long term Benefits (Provided for on the basis of actuarial valuation)**		
	As per last Balance Sheet	27.38	21.50
	Additions during the year	8.67	7.66
	Amount used during the year	0.98	1.78
	Closing Balance	**35.07**	**27.38**
B.	**OTHERS**		
i)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	1.37	1.25
	Amount reversed during the year	0.08	-
	Unwinding of discount	0.14	0.12
	Closing Balance	**1.43**	**1.37**
ii)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	17.66	17.40
	Additions during the year	1.35	0.66
	Amount used during the year	0.73	0.62
	Amount reversed during the year	0.14	0.14
	Unwinding of discount	0.43	0.36
	Closing Balance	**18.57**	**17.66**
iii)	**Provision-Others**		
	As per last Balance Sheet	0.53	0.51
	Additions during the year	0.05	0.05
	Amount used during the year	0.06	0.03
	Closing Balance	**0.49**	**0.53**
	TOTAL	**55.56**	**46.94**

Note: 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 2020	As at 31st March 2019
	Deferred Tax Liability		
a)	Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	3,980.45	3,911.72
b)	Financial Assets at FVTOCI	24.21	(7.75)
c)	Other Items	744.18	793.26
d)	Undistributed Earnings	514.46	400.63
	Deferred Tax Liability	**5,263.30**	**5,097.86**
	Less:-Set off Deferred Tax Assets pursuant to set off provisions		
a)	Provision for employee benefit scheme, doubtful debts, inventory and others	374.90	332.71
b)	Other Items	45.69	44.47
c)	MAT credit entitlement **(Refer Note 18.2)**	613.59	-
	Deferred Tax Assets	**1,034.18**	**377.18**
	Deferred Tax Liability (Net)	**4,229.12**	**4,720.68**

18.1 Movement in Deferred Tax Liability/ (Assets)

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 31/03/20 amounting to ₹ 613.59 (after utilizationof MAT credit for ₹ 83.71 during current year) has been recognized as deferred tax asset in the books of accounts. Out of above an amount of ₹ 474.43 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 Rs. 2196.82 crores lying unutilized as on 31st March, 2020 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 existing 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 Rs. 2196.82 crores 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)

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 1 April 2019	**3,911.72**	**(7.75)**	**793.26**	**400.63**	**5,097.86**
Charged/(Credited)					
-to Profit or loss	68.73	-	(48.43)	113.83	134.13
-to OCI	-	31.96	(0.65)	-	31.31
At 31 March 2020	**3,980.45**	**24.21**	**744.18**	**514.46**	**5,263.30**

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	Mat Credit	Total
At 1 April 2019	**332.71**	**44.47**	**-**	**377.18**
Charged/(Credited)				
-to Profit or loss	42.84	1.22	613.59	657.65
-to OCI	-0.65	-	-	(0.65)
At 31 March 2020	**374.90**	**45.69**	**613.59**	**1,034.18**

2018-19

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 1 April 2018	**3,148.21**	**9.07**	**929.24**	**386.89**	**4,473.41**
Charged/(Credited)					
-to Profit or loss	763.51	(17.61)	(135.89)	13.74	623.75
-to OCI	-	0.79	(0.09)	-	0.70
At 31 March 2019	**3,911.72**	**(7.75)**	**793.26**	**400.63**	**5,097.86**

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	Total
At 1st April 2018	**26.01**	**223.72**	**249.73**
(Charge)/Credit	**-**		
-to Profit or loss	306.79	(179.25)	127.54
-to OCI	(0.09)	-	(0.09)
At 31st March 2019	**332.71**	**44.47**	**377.18**

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
	Income received in advance-Advance Against Depreciation	992.02	1,027.80
	Deferred Income from Foreign Currency Fluctuation Account	42.81	48.51
	Grants in aid-from Government-Deferred Income **(Refer Note 19.1)**	2,164.64	1,909.75
	TOTAL	**3,199.47**	**2,986.06**
19.1	**GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME**		
	Opening Balance (Current and Non Current)	2,014.66	1,797.16
	Add: Received during the year	362.21	309.67
	Less: Transferred to Statement of Profit and Loss (Refer Note 24.2)	98.46	92.17
	Closing Balance (Current and Non Current) (Refer Note 19.1.1)	**2,278.41**	**2,014.66**
	Grants in Aid-from Government-Deferred Income (Current)- (Refer Note No-21)	113.77	104.91
	Grants in Aid-from Government-Deferred Income (Non-Current)	2,164.64	1,909.75
19.1.1	**Grant includes:-**		
(i)	Fair valuation of Subordinate Debts received from Government of India for Chutak Power Station, Nimoo Bazgo Power Station and Kishanganga Power Station accounted as Grant In Aid.	1,163.35	862.65
(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.	24.26	23.98
(iii)	Grant received from Government of Madhya Pradesh for Indira Sagar & Omkareshwar Power Stations.	1,077.79	1,118.03
(iv)	Funds (Grant in Aid) received from Govt. of Uttar Pradesh for setting up Solar Power Project in the state including interest accrued thereon.	13.01	10.00

NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in crore)

	Particulars	As at 31st March 2020	As at 31st March 2019
A	**Loan Repayable on Demand**		
	From Banks-Secured (Refer Note 20.1.1)	-	116.00
B	**Other Loans**		
	From Bank-Secured (Refer Note 20.1.2)	714.31	300.00
	TOTAL	**714.31**	**416.00**

20.1.1 DETAIL OF BORROWINGS (SECURED)

S. No	Name of Bank along with details of Security	As at 31st March 2020	As at 31st March 2019
1	Canara Bank is secured by Book debts and stocks	-	106.00
2	Punjab & Sind Bank- is secured by Fixed Deposit Receipt (FDR)	-	10.00
	TOTAL	**-**	**116.00**

20.1.2 Secured loan from Bank amounting to ₹ 714.31 Crore (Previous year ₹ Nil 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 2020	As at 31st March 2019
Total outstanding dues of micro enterprise and small enterprise(s) **(Refer Note 20.2.1)**	22.96	19.38
Total outstanding dues of Creditors other than micro enterprises and small enterprises	293.70	176.89
TOTAL	**316.66**	**196.27**

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 2020	As at 31st March 2019
Current maturities of long term debt (Refer Note 20.3.1)		
- Bonds	1,102.80	1,102.80
- Term Loan -Banks-Secured	10.00	10.00
- Term Loan -Financial Institutions-Secured	366.33	366.33
- Unsecured-From Government (Subordinate Debts)	23.11	23.11
- Other-Unsecured (in Foreign Currency)	114.71	102.92
Current maturities of Lease Obligations **(Refer Note 34(18))**	3.34	-
Liability against capital works/supplies other than micro and small enterprises	409.91	348.89
Liability against capital works/supplies-Micro and Small Enterprises	10.56	5.27
Interest accrued but not due on borrowings	643.10	584.99
Interest Payable on account of Bonds Fully Serviced by Government of India	4.48	4.49
Earnest Money Deposit/ Retention Money	107.46	129.23
Unpaid dividend **(Refer Note 20.3.2)**	22.64	19.17
Unpaid interest **(Refer Note 20.3.2)**	0.25	0.26
Payable to Employees	26.06	125.06
Payable to Others	78.33	74.20
TOTAL	**2,923.08**	**2,896.72**

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 2020	As at 31st March 2019
Income received in advance (Advance against depreciation)	52.60	65.19
Deferred Income from Foreign Currency Fluctuation Account	5.92	6.17
Water Usage Charges Payable	324.45	262.83
Statutory dues payables	116.53	489.97
Contract Liablities-Deposit Works	9.37	19.96
Contract Liablities-Project Management/ Consultancy Work	268.49	196.82
Advance from Customers and Others	11.69	12.19
Grants in aid-from Government-Deferred Income **(Refer Note No-19.1)**	113.77	104.91
TOTAL	**902.82**	**1,158.04**

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 2020	As at 31st March 2019
A.	**PROVISION FOR EMPLOYEE BENEFITS**		
i)	**Provision for Long term Benefits (Provided for on the basis of actuarial valuation)**		
	As per last Balance Sheet	2.20	142.89
	Additions during the year	0.72	1.13
	Amount used during the year	0.42	141.82
	Amount reversed during the year	0.12	-
	Closing Balance	**2.38**	**2.20**
ii)	**Provision for Wage Revision**		
	As per last Balance Sheet	14.92	13.59
	Additions during the year	3.75	14.53
	Amount used during the year	18.33	13.20
	Closing Balance	**0.34**	**14.92**
iii)	**Provision for Performance Related Pay/Incentive**		
	As per last Balance Sheet	279.25	283.86
	Additions during the year	288.25	198.37
	Amount used during the year	147.54	202.92
	Amount reversed during the year	1.88	0.06
	Closing Balance	**418.08**	**279.25**
iv)	**Provision for Superannuation / Pension Fund**		
	As per last Balance Sheet	0.10	3.63
	Additions during the year	-	0.10
	Amount used during the year	0.10	3.63
	Closing Balance	**0.00**	**0.10**

	PARTICULARS	As at 31st March 2020	As at 31st March 2019
v)	**Provision For Wage Revision - 3rd Pay Revision Committee**		
	As per last Balance Sheet	19.76	368.68
	Additions during the year	0.14	5.46
	Amount used during the year	16.00	354.38
	Amount reversed during the year	3.90	-
	Closing Balance	**-**	**19.76**
B.	**OTHERS**		
i)	**Provision For Tariff Adjustment**		
	As per last Balance Sheet	223.45	242.56
	Additions during the year	35.91	68.69
	Amount used during the year	103.44	87.80
	Closing Balance	**155.92**	**223.45**
ii)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	163.97	200.51
	Additions during the year	-	0.81
	Amount used during the year	6.46	37.85
	Unwinding of discount	-	0.50
	Closing Balance	**157.48**	**163.97**
iii)	**Provision for Restoration expenses of Insured Assets**		
	As per last Balance Sheet	24.54	21.77
	Additions during the year	46.21	16.65
	Amount used during the year	15.66	4.33
	Amount reversed during the year	0.98	9.55
	Closing Balance	**54.11**	**24.54**
iv)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	15.99	15.59
	Additions during the year	0.90	0.59
	Amount used during the year	0.93	0.24
	Unwinding of discount	0.05	0.05
	Closing Balance	**16.01**	**15.99**
v)	**Provision in respect of arbitration award/ court cases**		
	As per last Balance Sheet	373.22	392.56
	Additions during the year	0.59	22.22
	Amount used during the year	3.33	32.03
	Amount reversed during the year	0.65	9.53
	Closing Balance	**369.83**	**373.22**
vi)	**Provision - Others**		
	As per last Balance Sheet	416.99	331.30
	Additions during the year	39.68	108.71
	Amount used during the year	185.82	21.20
	Amount reversed during the year	2.06	1.82
	Closing Balance	**268.79**	**416.99**
	TOTAL	**1,442.94**	**1,534.39**

22.1 Information about Provisions is given in Note 34(22) of Consolidated Financial Statement.

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

PARTICULARS	As at 31st March 2020	As at 31st March 2019
Current Tax Liability as per last Balance Sheet	1,175.20	822.78
Additions during the year	1,498.78	1,175.20
Amount adjusted during the year	(1,175.20)	(822.78)
Closing Balance of Current Tax Liablity (A)	1,498.78	1,175.20
Less: Current Advance Tax including Tax Deducted at Source (B)	1,582.94	1,287.05
Net Current Tax Liabilities (A-B)	**(84.16)**	**(111.85)**
(Disclosed under Note No-12 above)	**84.16**	**111.85**
TOTAL	-	-

NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in crore)

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	Operating Revenue		
A	**SALES (Refer Note 24.1.1, 24.1.3, and 34(21))**		
	Sale of Power	7,138.75	6,739.13
	Advance Against Depreciation -Written back during the period	48.38	65.23
	Performance based Incentive/ (Disincentive)	1,090.23	785.71
	Sub-total (i)	**8,277.36**	**7,590.07**
	Less :		
	Sales adjustment on account of Foreign Exchange Rate Variation	42.94	92.34
	Tariff Adjustments (**Refer Note 24.1.2)**	27.79	65.37
	Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	25.56	9.17
	Rebate to customers	29.06	44.62
	Sub-total (ii)	**125.35**	**211.50**
	Sub - Total (A) = (i-ii)	**8,152.01**	**7,378.57**
B	**Income from Finance Lease (Refer Note 34(18(B))**	755.82	772.49
C	**Income from Operating Lease (Refer Note 34(18(C))**	666.57	748.61
D	**Revenue From Project Management and Consultancy Works**	23.33	23.19
E	**Revenue from Power Trading**		
	Sale of Power (Net of Rebate)	238.56	12.96
	Trading Margin	0.91	-
	Sub - Total (E)	**239.47**	**12.96**
	Sub-Total-I (A+B+C+D+E)	**9,837.20**	**8,935.82**
F	**OTHER OPERATING REVENUE**		
	Income From Sale of Self Generated VERs/REC	1.76	14.23
	Income on account of generation based incentive (GBI)	2.53	3.21
	Interest from Beneficiary States - Revision of Tariff	166.58	29.61
	Sub-Total-II	**170.87**	**47.05**
	TOTAL (I+II)	**10,008.07**	**8,982.87**

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
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.	258.22	233.46
	(ii) Deemed generation as allowed by Central Electricity Regulatory Commission (CERC).	72.56	105.48
	(iii) Amount of earlier year sales pending finalisation of tariff.	220.50	411.47
	iv) Electricity Duty & Energy Development Cess recoverable from beneficiary and accordingly billed to the beneficiary:		
	- Electricity Duty	0.66	0.30
	- Energy Development Cess	61.44	28.75
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.	27.79	65.37
24.1.3	Amount of unbilled revenue included in Sales.	2,099.47	1,599.38

NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
A)	**Interest Income**		
	- Investments carried at FVTOCI- Non Taxable	5.68	5.68
	- Investments carried at FVTOCI- Taxable	25.76	25.81
	- Loan to Government of Arunachal Pradesh	55.80	51.19
	- Deposit Account	175.96	213.06
	- Employee's Loans and Advances (Net of Rebate)	14.77	18.19
	- Advance to contractors	29.83	24.62
	- Others	20.64	10.74
B)	**Dividend Income**		
	- Dividend - Others	4.80	4.80
C)	**Other Non Operating Income (Net of Expenses directly attributable to such income)**		
	Late payment surcharge	259.34	303.15
	Realization of Loss Due To Business Interruption	-	48.77
	Profit on sale of Assets (Net)	-	1.20
	Income from Insurance Claim	29.33	5.02
	Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)**	115.67	31.80
	Material Issued to contractor		
	(i) Sale on account of material issued to contractors	32.17	27.47
	(ii) Cost of material issued to contractors on recoverable basis	(37.63)	(42.44)
	(iii) Adjustment on account of material issued to contractor	5.46	14.98

PARTICULARS		For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	Amortization of Grant in Aid	98.46	92.17
	Exchange rate variation (Net)	-	3.18
	Mark to Market Gain on Derivative	33.71	-
	Others	32.19	44.65
	Sub-total	**901.94**	**884.04**
	Less: Transferred to Expenditure Attributable to Construction	128.69	13.12
	Less: Transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	3.99	6.98
	Less: Transfer of other income to grant	0.69	-
	TOTAL	**768.57**	**863.94**
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	0.35	1.20
c)	Impairment Allowances for loan which have significant increase in credit risk	-	0.02
d)	Allowances for doubtful recoverable	3.34	8.00
e)	Allowances for Doubtful Accrued Interest	108.90	-
f)	Allowances for losses pending investigation/awaiting write off / sanction	0.16	1.18
g)	Provision for Livelihood Assistance	-	0.14
h)	Provision for Restoration expenses of Insured Assets	0.98	9.55
i)	Others	1.83	11.71
	TOTAL	**115.67**	**31.80**

24.2.2 Total includes ₹ 43.54 Crore (Previous year ₹ 24.71 Crore) relating to Subansiri Lower Project as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 9.82 crore (Previous year ₹ 21.24 Crore) pertaining to Subansiri Lower Project 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, 2020	For the Year ended 31st March, 2019
Purchase of Power	238.32	12.94
Less : Rebate from Supplier	4.19	0.26
TOTAL	**234.13**	**12.68**

NOTE NO. 25.2 GENERATION EXPENSES

(₹ in crore)

PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Water Usage Charges	882.93	775.31
Consumption of stores and spare parts	21.40	25.44
Total	**904.33**	**800.75**

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	Salaries and Wages	1,641.01	1,776.33
	Contribution to provident and other funds	212.85	280.47
	Staff welfare expenses	90.21	93.66
	Sub-total	**1,944.07**	**2,150.46**
	Less: Transferred to Expenditure Attributable to Construction	267.98	300.08
	Less: Recoverable from Deposit Works	-	0.45
	Total	**1,676.09**	**1,849.93**
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, 2020**	**For the Year ended 31st March, 2019**
	i) towards Employees Provident Fund	95.31	111.24
	ii) towards Employees Defined Contribution Superannuation Scheme	96.66	137.12
26.3	Salary and wages includes expenditure on short term leases as per IND AS-116 '' Leases". (Refer Note 34(18A))	1.76	-

26.4 Total includes ₹ 35.61 Crore (Previous year ₹ 103.90 Crore) relating to Subansiri Lower Project as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 35.60 crore (Previous year ₹ 20.68 Crore) pertaining to Subansiri Lower Project 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, 2020	For the Year ended 31st March, 2019
A	**Interest on Financial Liabilities at Amortized Cost**		
	Bonds	1,101.23	996.02
	Term loan	140.04	128.31
	Foreign loan	25.29	21.37
	Government of India Loan	69.71	61.52
	Lease Liabilities	1.33	
	Unwinding of discount-Government of India Loan	42.83	29.87
	Sub-total	**1,380.43**	**1,237.09**
B	**Other Borrowing Cost**		
	Call spread/ Coupon Swap	30.23	-
	Bond issue/ service expenses	1.28	1.02
	Guarantee fee on foreign loan	13.43	18.61
	Other finance charges	0.96	0.78
	Unwinding of discount-Provision & Financial Liablities	5.54	5.75
	Sub-total	**51.44**	**26.16**
C	**Applicable net (gain)/ loss on Foreign currency transactions and translation**		
	Exchange differences regarded as adjustment to interest cost	143.79	22.69
	Less: Transferred to Deferred Foreign Currency Fluctuation Assets	(120.23)	(22.69)
	Sub-total	**23.56**	**-**

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
D	**Interest on Income Tax**	2.42	-
	TOTAL (A + B + C +D)	**1,457.85**	**1,263.25**
	Less: transferred to Expenditure Attributable to Construction	661.87	368.11
	TOTAL	**795.98**	**895.14**

27.1 Total includes ₹ 157.61 Crore (Previous year ₹ 302.72 Crore) relating to Subansiri Lower Project as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 157.61 crore (Previous year ₹ 76.78 Crore) pertaining to Subansari Lower Project 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, 2020	For the Year ended 31st March, 2019
Depreciation -Property, Plant and Equipment	1,558.69	1,604.20
Depreciation-Right of use Assets	85.04	
Amortization -Intangible Assets	0.96	66.84
Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 5(D)(ii) and 19)**	(0.36)	(4.09)
Sub-total	**1,644.33**	**1,666.95**
Less: Transferred to Expenditure Attributable to Construction	30.29	8.99
TOTAL	**1,614.04**	**1,657.96**

28.1 Total includes ₹ 3.59 Crore (Previous year ₹ 8.54 Crore) relating to Subansiri Lower Project as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 3.59 crore (Previous year ₹ 1.77 Crore) pertaining to Subansiri Lower Project 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, 2020	For the Year ended 31st March, 2019
A.	**REPAIRS AND MAINTENANCE**		
	- Building	72.50	70.28
	- Machinery	82.58	65.41
	- Others	170.31	173.38
B.	**OTHER EXPENSES**		
	Rent	24.56	57.03
	Hire Charges	28.86	-
	Rates and taxes	77.64	43.32
	Insurance	180.93	136.30
	Security expenses	408.08	340.48
	Electricity Charges	52.11	56.09
	Travelling and Conveyance	29.70	28.69
	Expenses on vehicles	6.93	8.85
	Telephone, telex and Postage	18.16	16.86
	Advertisement and publicity	8.15	17.21
	Entertainment and hospitality expenses	0.62	0.74

PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Printing and stationary	5.35	5.25
Consultancy charges	16.17	17.91
Audit expenses	3.14	2.15
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	10.69	116.36
Expenditure on land not belonging to company	3.63	9.59
Loss on Assets (Net)	4.48	0.05
Losses out of insurance claims	46.21	72.89
Books and Periodicals	-	0.03
Donation	-	1.00
Corporate Social Responsibility	152.04	47.98
Community Development Expenses	0.13	0.11
Directors' Sitting Fees	0.20	0.28
Research and development expenses	-	0.33
Interest on Arbitration/ Court Cases	4.13	1.01
Interest to beneficiary	77.00	-
Expenditure on Self Generated VER's/REC	0.10	0.27
Exchange rate variation (Net)	49.75	-
Training Expenses	8.72	7.29
Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/ IEX/PXIL	11.23	9.14
Operational/Running Expenses of Kendriya Vidyalay	6.19	31.80
Operational/Running Expenses of Other Schools	0.56	3.03
Operational/Running Expenses of Guest House/Transit Hostel	22.55	20.55
Operating Expenses of DG Set-Other than Residential	7.94	7.16
Other general expenses	33.13	39.59
Sub-total	**1,624.47**	**1,408.41**
Less: Transferred to Expenditure Attributable to Construction	81.67	193.04
Less: Recoverable from Deposit Works	-	0.04
Less: Transfer to General Reserve for Expenses on Buyback	-	6.20
Sub-total (i)	**1,542.80**	**1,209.13**
C. PROVISIONS/ IMPAIRMENT ALLOWANCE		
Allowance for Bad and doubtful advances / deposits	-	0.01
Allowance for Bad and doubtful recoverables	-	2.99
Allowance for Doubtful Interest	-	4.79
Allowance for stores and spares/ Construction stores	0.20	2.99
Allowance for Project expenses	154.73	60.52
Allowance for fixed assets/ stores	0.28	0.10
Interest to Beneficiary **(Refer Note 29.2)**	1.38	41.31
Sub-total	**156.65**	**112.71**
Less: Transferred to Expenditure Attributable to Construction	0.06	2.24
Sub-total (ii)	**156.59**	**110.47**
TOTAL (I+II)	**1,699.39**	**1,319.60**

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
29.1	Disclosure about leases are given in Note 34 (16) (A).		
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.	1.38	41.31
29.3	Rent includes the following expenditure as per IND AS-116 '' Leases". **(Refer Note 34(18A))**		
	(i) Expenditure on short-term leases other than lease term of one month or less	15.15	-
	(ii) Expenditure on long term lease of low-value assets	0.14	-
	(iii) Variable lease payments not included in the measurement of lese liabilities	9.27	-
29.4	Impact of Ind AS 116 "Leases" on Statement of Profit and Loss. **(Refer Note 34(29))**	0.26	
29.5	Total includes ₹ 70.44 crore (Previous year ₹ 58.83 crore) relating to Subansiri Lower Project as explained in Note-34(23). However Regulatory Deferral Account Balances for an amount of ₹ 16.27 crore (Previous year ₹ 16.54 crore) pertaining to Subansiri Lower Project 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, 2020	For the Year ended 31st March, 2019
	Current Tax		
	Provision for Current Tax	877.36	873.71
	Adjustment Relating To Earlier periods	20.38	(46.30)
	Total current tax expenses	**897.74**	**827.41**
	Deferred Tax		
	Decrease (increase) in deferred tax assets		
	- Relating to origination and reversal of temporary differences	(44.68)	131.23
	- Adjustments on account of MAT credit entitlement	(697.30)	
	Increase (decrease) in deferred tax liabilities		-
	- Relating to origination and reversal of temporary differences	20.91	351.24
	- Relating to undisributed Earnings	113.83	13.74
	Total deferred tax expenses (benefits)	**(607.24)**	**496.21**
	Net Deferred Tax	**(607.24)**	**496.21**
	Total	**290.50**	**1,323.62**
30.1.1	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.**	**For the Year ended 31st March, 2020**	**For the Year ended 31st March, 2019**
	Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance	3,615.22	4,431.34
	Applicable tax rate (%)	34.9440	34.9440
	Computed tax expense	**1,263.30**	**1,548.49**
	Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
	Non Deductible Tax Expenses	305.71	69.85

	Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	Tax Exempt Income	(3.66)	(141.28)
	Tax Incentives (80-IA Deductions)	(933.27)	(714.38)
	Adjustment for current tax of earlier periods	(0.75)	(46.30)
	Minimum Alternate Tax Adjustments	(477.11)	593.35
	Undistributed Profit	113.83	13.74
	Others	22.45	0.15
	Income tax expense reported in Statement of Profit and Loss	**290.50**	**1,323.62**
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)**	2,196.82	3,122.92
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 2020		As at 31st March 2019	
	Amount	Year of Expiry	Amount	Year of Expiry
2019-20	156.01	2034-35		
2018-19	706.37	2033-34	696.15	9.18
2017-18	328.67	2032-33	328.67	2032-33
2016-17	234.26	2031-32	234.26	2031-32
2015-16	280.94	2030-31	280.94	2030-31
2014-15	219.13	2029-30	219.13	2029-30
2013-14	686.67	2028-29	686.67	2028-29
2012-13	376.94	2027-28	376.94	2027-28
2011-12	24.45	2026-27	24.45	2026-27
2010-11	57.24	2025-26	76.81	2025-26
2009-10	-	2024-25	64.13	2024-25
2008-09	125.59	2023-24	125.59	2023-24
TOTAL	**3,196.27**		**3,113.74**	

Financial Years	As at 31st March 2020		As at 31st March 2019	
	Amount	Year of Expiry	Amount	Year of Expiry
Less: MAT Credit recognised as Deferred Tax Asset	613.59		-	
Deferred Tax Asset in respect of aforsaid MAT credit available to company in future has not been recognised considering its uncertainty of reversal in foreseeable future	385.86		-	
Mat credit available in future	**2,196.82**		**3,113.74**	

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, 2020	For the Year ended 31st March, 2019
(i) Items that will not be reclassified to profit or loss		
(a) Remeasurement of the post employment defined benefit obligations	55.78	1.52
Less: Deferred Tax on remeasurement of the post employment defined benefit obligations	19.49	0.53
Remeasurement of the post employment defined benefit obligations (net of Tax)	**36.29**	**0.99**
Less:-Movement in Regulatory Deferral Account Balances in respect of Tax on defined benefit obligations	8.80	(0.46)
Share of Other comprehensive Income of Joint Ventures accounted for using the equity method	**(0.01)**	**(0.01)**
Sub total (a)	**27.48**	**1.44**
(b) Investment in Equity Instruments	(42.09)	(16.48)
Sub total (b)	**(42.09)**	**(16.48)**
Total (i)=(a)+(b)	**(14.61)**	**(15.04)**
(ii) Items that will be reclassified to profit or loss		
Investment in Debt Instruments	15.77	3.09
Less: Income Tax on investment in Debt Instruments	3.67	0.72
Total (ii)	**12.10**	**2.37**
Total =(i+ii)	**(2.51)**	**(12.67)**

NOTE NO. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in crore)

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	Movement in Regulatory Deferral Account Balances on account of:-		
(i)	Subansiri Lower Project:-		
a)	Employee Benefits Expense	35.60	20.68
b)	Other Expenses	16.27	16.54
c)	Depreciation and Amortization Expense	3.59	1.77
d)	Finance Costs	157.61	76.78
e)	Other Income	(9.82)	(21.24)
	Sub Total (i)	**203.25**	**94.53**
(ii)	Wage Revision as per 3rd Pay Revision Committee	-	220.43
(iii)	Kishanganga Power Station:-Depreciation due to moderation of Tariff	195.62	171.98
(iv)	Exchange Differences on Monetary Items	0.99	(0.57)
(v)	Adjustment against Deferred Tax Recoverable for tariff period upto 2009	(167.99)	(151.88)
(vi)	Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.	2.05	508.93
(vii)	Minimum Alternate Tax Credit Entitlement	(474.42)	-
	TOTAL A=(i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii)	**(240.50)**	**843.42**
	Impact of Tax on Regulatory Deferral Accounts		
	Less: Deferred Tax on Regulatory Deferral Account Balances	19.65	(250.35)
	Add: Deferred Tax recoverable from Beneficiaries	19.65	(250.35)
	TOTAL	**(240.50)**	**843.42**

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, 2020	For the Year ended 31st March, 2019
A.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	130.23	133.91
	Contribution to provident and other funds	17.34	21.61
	Staff welfare expenses	5.47	4.79
	Sub-total	**153.04**	**160.31**
B.	**FINANCE COSTS**		
	Interest on : **(Refer Note 2.2.1)**		
	Bonds	564.44	349.92
	Foreign loan	3.56	-
	Term loan	55.59	15.41
		623.59	**365.33**
	Exchange differences regarded as adjustment to interest cost	14.15	-
	Loss on Hedging Transactions	22.01	-
	Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest	-	1.44
	Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	1.81	1.18
	Transfer of expenses to EAC- Interest on FC Loans - Effective Interest Adjustment	0.09	-
	Sub-total	**661.65**	**367.95**
C.	**DEPRECIATION AND AMORTISATION EXPENSES**	28.07	7.27
	Sub-total	**28.07**	**7.27**

	PARTICULARS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
D.	**OTHER EXPENSES**		
	Repairs And Maintenance :		
	-Building	6.72	4.39
	-Machinery	0.91	0.03
	-Others	7.68	3.70
	Rent & Hire Charges	9.65	8.11
	Rates and taxes	2.37	1.40
	Insurance	2.59	0.26
	Security expenses	20.15	22.97
	Electricity Charges	3.96	3.19
	Travelling and Conveyance	2.81	2.67
	Expenses on vehicles	0.74	0.78
	Telephone, telex and Postage	1.64	2.16
	Advertisement and publicity	0.01	0.27
	Printing and stationery	0.31	0.37
	Design and Consultancy charges:		
	- Indigenous	3.20	2.24
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	0.20	115.72
	Expenditure on land not belonging to company	0.73	6.94
	Land Acquisition and Rehabilitation Expenditure	-	0.15
	Other general expenses	6.77	8.53
	Remuneration to Auditors	0.06	-
	Exchange rate variation (Debit)	0.26	-
	Sub-total	**70.76**	**183.88**
E.	**PROVISIONS**	0.06	2.24
	Sub-total	**0.06**	**2.24**
F.	**CORPORATE OFFICE/REGIONAL OFFICE EXPENSES**		
	Other Income	(1.06)	(0.97)
	Other Expenses	10.91	9.18
	Employee Benefits Expense	114.94	139.77
	Depreciation and Amortization Expenses	2.22	1.71
	Finance Costs	0.22	0.16
	Sub-total	**127.23**	**149.85**
G.	**LESS: RECEIPTS AND RECOVERIES**		
	Income from generation of electricity – precommissioning	25.56	9.17
	Interest on loans and advances	15.92	7.19
	Profit on sale of assets	0.05	-
	Exchange rate variation (Credit)	0.66	-
	Provision/Liability not required written back	110.45	0.35
	Miscellaneous receipts	0.55	4.62
	Sub-total	**153.19**	**21.33**
	TOTAL (A+B+C+D+E+F-G) (Refer Note 2.2)	**887.62**	**850.17**

32.1 Refer Note 34(29) of Consolidated Financial Statement for arrears paid to employees.

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, 2020			As at 31st March, 2019		
		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		46.57	-		88.66	-
b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted"	3.1		417.56	-		401.54	-
Sub-total			**464.13**	**-**		**490.20**	**-**
(ii) Trade Receivables	3.2			-			61.51
(iii) Loans							
a) Deposits	3.3			24.55			23.52
b) Employees	3.3			120.46			126.56
c) Loan to Government of Arunachal Pradesh (Including interest accrued)"	3.3			675.80			620.00
(iv) Others							
-Lease Receivables including interest	3.4			5,111.73			5,355.41
-Recoverable on account of Bonds fully Serviced by Government of India	3.4			2,017.20			2,017.20
- Derivative MTM Asset	3.4	33.71			-		
- Others inluding Bank Deposits with more than 12 Months Maturity (Including interest accrued)"	3.4			404.63			80.93
Total Non-current Financial assets		**33.71**	**464.13**	**8,354.37**	**-**	**490.20**	**8,285.13**
Current Financial assets							
(i) Trade Receivables	7			3,816.44			2,838.00
(ii) Cash and cash equivalents	8			42.17			25.04
(iii) Bank balances other than Cash and Cash Equivalents	9			1,651.10			2,220.21
(iv) Loans	10						
-Employee Loans				44.26			42.19

Financial assets	Notes	As at 31st March, 2020			As at 31st March, 2019		
		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
- Loans to Joint Venture (National High Power Test Laboratory (P) Limited)"				6.27			6.00
-Deposits				0.48			0.62
(v) others (Excluding Lease Receivables)	11			3,184.45			2,029.24
(vi) others (Lease Receivables including interest)	11			117.50			213.86
Total Current Financial Assets			**-**	**8,862.67**		**-**	**7,375.16**
Total Financial Assets		**33.71**	**464.13**	**17,217.04**		**490.20**	**15,660.29**

Financial Liabilities	Notes	As at 31st March, 2020			As at 31st March, 2019		
		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			20,878.66			17,044.63
(ii) Long term maturities of lease obligations	16.1			13.14			-
(iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2			2,060.29			2,059.44
(iv) Borrowing -Short Term	20.1			714.31			416.00
(v) Trade Payables including Micro, Small and Medium Enterprises	20.2			316.66			196.27
(vi) Other Current financial liabilities							
a) Current maturities of long term borrowings	20.3			1,616.95			1,605.16
b) Current maturities of lease obligations	20.3			3.34			-
c) Interest Accrued but not due on borrowings	20.3			643.10			584.99
d) Other Current Liabilities	20.3			659.69			706.57
Total Financial Liabilities				**26,906.14**			**22,613.06**

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, 2020			As at 31st March, 2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI							
(i) Investments-							
- In Equity Instrument (Quoted)	3.1	46.57			88.66		
- In Debt Instruments (Government/ Public Sector Undertaking)- Quoted *	3.1	417.56			401.54		
Financial Assets at FVTPL :							
(i) Derivative MTM Asset (Call spread option and Coupon only swap)			33.71	-		-	-
Total		**464.13**	**33.71**	**-**	**490.20**	**-**	**-**

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, 2020			As at 31st March, 2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Trade Receivables	3.2		-			61.51	
(ii) Loans							
a) Employees	3.3		137.35			134.76	
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3		675.80			620.00	

PARTICULARS	Note No.	As at 31st March, 2020			As at 31st March, 2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
c) Deposits	3.3			24.55			23.52
(ii) Others							
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)"	3.4		404.63			80.93	
-Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20			2,017.20		
Total Financial Assets		**2,017.20**	**1,217.78**	**24.55**	**2,017.20**	**897.20**	**23.52**
Financial Liabilities							
(i) Long-term borrowings including current maturities and accrued interest	16.1 & 20.3	16,161.49	3,444.70	2,654.45	13,863.26	2,596.46	2,054.78
(ii) Long term & Short term maturities of lease obligations	16.1 & 20.3	-	-	16.48	-	-	-
(iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	2,017.20		48.04	2,017.20		42.98
Total Financial Liabilities		**18,178.69**	**3,444.70**	**2,718.97**	**15,880.46**	**2,596.46**	**2,097.76**

(c) Fair value of Financial Assets and liabilities measured at Amortised Cost

(₹ in Crore)

Particulars	Note No.	As at 31st March, 2020		As at 31st March, 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
(i) Trade Receivables	3.2	-	-	61.51	61.51
(ii) Loans					
a) Employees	3.3	120.46	137.35	126.56	134.76
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)"	3.3	675.80	675.80	620.00	620.00
c) Deposits	3.3	24.55	24.55	23.52	23.52
(ii) Others					
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)"	3.4	404.63	404.63	80.93	80.93
-Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20	2,017.20	2,017.20	2,017.20
Total Financial Assets		**3,242.64**	**3,259.53**	**2,929.72**	**2,937.92**

Particulars	Note No.	As at 31st March, 2020		As at 31st March, 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities					
(i) Long-term borrowings including Current maturities and accrued interest	16.1 & 20.3	23,138.71	22,260.65	19,234.78	18,514.50
(ii) Long term & Short term maturities of lease obligations	16.1 & 20.3	16.48	16.48	-	-
(iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	2,060.29	2,065.24	2,059.44	2,060.18
Total Financial Liabilities		**25,215.48**	**24,342.37**	**21,294.22**	**20,574.68**

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 2. Refinancing 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. 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 deemed lease as per Appendix C of Ind AS 17- '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, 2020	As at 31st March, 2019
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments (Other than Subsidiaries and Joint Ventures)	464.13	490.20
Loans -Non Current (including interest)	820.81	770.08
Other Non Current Financial Assets	2,421.83	2,098.13
Cash and cash equivalents	42.17	25.04
Bank balances other than Cash and Cash Equivalents	1,651.10	2,220.21
Loans -Current	51.01	48.81
Other Financial Assets (Excluding Lease Receivables)	3,184.45	2,029.24
Total (A)	**8,635.50**	**7,681.71**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	3,816.44	2,899.51
Lease Receivables (Including Interest)	5,229.23	5,569.27
Total (B)	**9,045.67**	**8,468.78**
TOTAL (A+B)	**17,681.17**	**16,150.49**

(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 1.4.2018	**37.71**	**210.41**	**0.03**	**248.15**
Changes in Loss Allowances	-	(6.98)	(0.02)	(7.00)
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 31.3.2020	**37.71**	**285.78**	**0.01**	**323.50**

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, 2020	As at 31st March, 2019
At Floating Rate	925.00	819.00
Total	**925.00**	**819.00**

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, 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 Year & Less than 5 Years	More than 5 Year
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**	**3,792.68**	**17,258.20**

As at 31st March, 2019 (₹ 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 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	19,899.53	2,021.17	3,006.08	3,205.12	11,667.16
Lease obligations	16.1 & 20.3	-	-	-	-	-
Other financial Liabilities	16.2 & 20.3	3,362.76	1,287.92	10.92	6.88	2,057.04
Trade Payables	20.2	196.27	196.27	-	-	-
Total Financial Liabilities		**23,458.56**	**3,505.36**	**3,017.00**	**3,212.00**	**13,724.20**

(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, 2020		As at 31st March, 2019	
	weighted average interest rate (%)	(₹ in Crore)	weighted average interest rate (%)	(₹ in Crore)
Floating Rate Borrowings (INR)	8.00	500.00	8.50	190.00
Fixed Rate Borrowings (INR)	8.07	20,106.61	8.30	17,340.99
Fixed Rate Borrowings (FC)	1.47	1,889.00	1.97	1,118.79
Total		**22,495.61**		**18,649.78**

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, 2020		As at 31st March, 2019	
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	24.11	11.21	22.06	19.46
Indian Overseas Bank	22.83	0.06	15.75	0.08

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, 2020		As at 31st March, 2019	
	% change	**Impact on other components of debt instrument (₹ in Crore)**	**% change**	**Impact on other components of debt instrument (₹ in Crore)**
Government Securities	1.34	4.56	0.57	1.84
Public Sector Undertaking Tax Free Bonds	1.56	1.29	1.48	1.20

(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, 2020	As at 31st March, 2019
Financial Liabilities:		
Foreign Currency Loans		
Japan International Corporation LTD (JPY)	1,132.22	1,118.79
MUFG BANK (JPY)	756.77	-
Other Financial Liabilities	57.59	62.53
Net Exposure to foreign currency (liabilities)	**1,946.58**	**1,181.32**

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 beneficieries asper 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, 2020	As at 31st March, 2019
(a) Total Debt (₹ in Crore)	24,529.29	20,666.99
(b) Total Capital (₹ in Crore)	31,370.61	30,797.81
Gearing Ratio (a/b)	0.78	0.67

Note: 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, 2020	As at 31st March, 2019
(i) Equity Shares		
Final dividend for the year 2018-19 of INR 0.75 per fully paid share approved in Sep-2019 paid in Oct-2019. (31st March 2018- INR 0.28 fully paid share for FY 2017-18).	753.38	287.26
Dividend Distribution Tax on Final Dividend	101.29 *	1.97 *
Interim dividend for the year ended 31st March 2020 of INR 1.18 (31st March 2019- INR 0.71) per fully paid share.	1,185.31	713.20
Dividend Distribution Tax on Interim Dividend	197.49 *	146.60
(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 0.32 (31 st March 2019- ₹ 0.75) per fully paid up Shares. The proposed dividend is subject to the approval of shareholders in the ensuring AGM.	321.44	753.38
Dividend Distribution Tax on Proposed Dividend	Nil	154.86

* 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	
		31.03.2020	**31.03.2019**
A. Subsidiary Companies			
NHDC Limited	India	51.08%	51.08%
Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited)	India	73.17%	74.00%
Bundelkhand Saur Urja Limited (BSUL)	India	99.99%	99.99%
Lanco Teesta Hydro Power Limited* (w.e.f 09.10.2019)	India	100.00%	-
B. Joint Venture Companies			
Chenab Valley Power Projects (P) Limited (CVPPPL)**	India	49.89%	51.94%
National High Power Test Laboratory Private Limited (NHPTL)***	India	20.00%	20.00%

* During the year, NHPC Limited acquired Lanco Teesta Hydro Power Limited through NCLT. Refer Note 34(32) for detail disclosure.

** During the year, company's shareholding decreased from 51.94% to 49.89% 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.

*** 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 Company not acknowledged as debts in respect of:

(i) Capital works

Contractors have lodged claims aggregating to ₹ **11015.52 Crore** (Previous year ₹ **11245.90 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 ₹ **5223.46 Crore** (Previous year ₹ **4580.80 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 ₹ **395.89 Crore** (Previous year ₹ **419.44 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **10369.28 Crore** (Previous year ₹ **10699.43 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 ₹ **430.74 Crore** (Previous year ₹ **495.90 Crore**) before various authorities/ courts. Pending settlement, the Group has assessed and provided an amount of ₹ **19.62 Crore** (Previous year ₹ **23.02 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **411.12 Crore** (Previous year ₹ **472.88 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 ₹ **761.14Crore** (Previous year ₹ **640.42 Crore**). Pending settlement, the Group has assessed and provided an amount of ₹ **17.70 Crore** (Previous year ₹ **23.50 Crore**) based on probability of outflow of resources embodying economic benefits and ₹ **642.23 Crore** (Previous year ₹ **515.92 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 ₹ **631.38 Crore** (Previous year ₹ **797.65 Crore**). These claims are pending before various forums. Pending settlement, the Group has assessed and provided an amount of ₹ **17.81 Crore** (Previous year ₹ **18.25 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **661.69 Crore** (Previous year ₹ **777.52 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 31.03.2020	up to date Provision against the claims	Contingent liability as on 31.03.2020	Contingent liability as on 31.03.2019	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2019
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	11,015.52	395.89	10,369.28	10699.43	(330.15)	1,417.06
2.	Land Compen-sation cases	430.74	19.62	411.12	472.88	(61.76)	101.17
3.	Disputed tax matters	761.14	17.70	642.43	515.92	126.51	0.04
4.	Others	681.38	17.81	661.69	777.52	(115.83)	157.13
	Total	**12,888.78**	**451.02**	**12,084.52**	**12,465.75**	**(381.23)**	**1,675.40**

(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 ₹ **365.26 Crore** (Previous year ₹ **396.38 Crore**) towards above Contingent Liabilities.

(e) (i) An amount of ₹ **697.09 Crore** (Previous year ₹ **617.39 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 underOther Non-Current Assets (Also refer Note No. 5).

(ii) An amount of ₹ **1324.51 Crore** (Previous year ₹ **456.59 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. 5and 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 31.03.2020 are as under:

(₹ in Crore)

Sl. No.	Category of Agency	Claims as on 31.03.2020	up to date Provision against the claims	Contingent liability as on 31.03.2020	Contingent liability as on 31.03.2019	Addition(+)/ deduction (-) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2019
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1	Central Government departments	173.70	0.83	71.87	53.79	18.08	0.04
2	State Government departments or Local Bodies	678.61	33.95	644.66	531.53	113.13	-
3	Central Public Sector Enterprises (CPSEs)	101.21	0.06	100.36	100.93	(0.57)	0.57
4	Others	11,935.26	416.18	11,267.63	11779.50	(511.87)	1,674.79
	TOTAL	**12,888.78**	**451.02**	**12,084.52**	**12,465.75**	**(381.23)**	**1,675.40**

(h) The Government of Sikkim vide letter dated 2nd August 2019 has raised demand on Teesta-V Power Station for ₹ **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 ₹ **915.84 Crore** (Previous year ₹ **875.05 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 ₹ **803.37 Crore** (Previous year ₹ **780.09 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 ₹ **239.48 Crore** (previous year ₹ **109.35** 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 and Tariff order for 2014-19 is pending in respect of TLDP-IV Power Station. Further, Truing up order of 2014-19 are pending for approval of CERC in respect of IndraSagar and Omkareshwar Power Stations. Management has assessed that additional revenue of ₹ **561.10 Crore** (Previous year ₹ **1246.79 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 ₹ **210.05 Crore** (Previous Year ₹ **202.26 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 ₹ **396.39 Crore** (Previous year ₹ **175.79 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 31.03.2020	As at 31.03.2019
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	5339.32	2709.17
2.	Intangible Assets	16.65	18.95
	Total	**5355.97**	**2728.12**

(b) The Company has commitments of ₹ **1113.25 Crore** (Previous year ₹ **99.33 Crore**) towards further investment in the subsidiary companies as at 31st March, 2020.

(c) The Company has commitments of ₹ **1345.64 Crore** (Previous year ₹ **1284.97 Crore**) towards further investment in the joint venture companies at as at 31st March, 2020.

5. Pending approval of competent authority, provisional payments / provisions made towardsexecuted quantities ofworks of some of the items beyond the approved quantities and/ or for extra items aggregating to ₹ **0.41 Crore** (Previous year ₹ **4.06 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.

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 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	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**
India	9,574.40	8,899.67	19.03	17.03	239.47	12.96	170.87	47.05	10,003.77	8,976.71
Others			4.30	6.16	-	-	-	-	4.30	6.16
Total	**9,574.40**	**8,899.67**	**23.33**	**23.19**	**239.47**	**12.96**	**170.87**	**47.05**	**10,008.07**	**8,982.87**

(₹ 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	
Timing of revenue recognition	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**	**31.03.2020**	**31.03.2019**
Products and services transferred over time	9,574.40	8,899.67	23.33	23.19	239.47	12.96	170.87	47.05	10,008.07	8,982.87
Units Sold (MU)	26990	23369	-	-	-	-	-	-	26990	23369

(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, 2020		As at 31st March, 2019	
	Current	Non-Current	Current	Non-Current
Trade Receivables	3816.44	-	2,838.00	61.51
Unbilled Revenue	2,589.41	-	1,524.14	-
Contract Liabilities- Deposit Works	9.37	-	19.96	-
Contract Liabilities- Project Management/ Consultancy Work	268.49	-	196.82	-
Advance from Customers and Others	11.69	-	12.19	-

The Group has recognised revenue of ₹ **3.63 Crore** (Previous Year ₹ **5.84 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 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

Sl. No.	Particulars	01.04.2019	Additions	Deductions	31.03.2020
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**

Movement during FY 2018-19:

Indira Sagar Project (ISP): -

(₹ in Crore)

(A) Amount received in Cash or in kind	**Cumulative up to 31.03.2018**	**During 2018-19**	**Cumulative up to 31.03.2019**
i. Expenditure by NVDA on account of Project	1,356.23	7.72	1,363.95
ii. Cash Received	669.71	-	669.71
iii. Amount transferred from OSP A/c	8.56	-	8.56
Total of (A)	**2,034.50**	**7.72**	**2,042.22**
(B) Due/Adjusted on account of			**-**
i. Equity Capital	660.00	-	660.00
ii. Irrigation Component	405.56	0.78	406.34
iii. SSP Component	518.23	1.00	519.23
iv. Sub-vention towards excess R&R Expenses	412.68	5.66	418.34
v. Electricity charges and water supply maintenance charges	5.04	-	5.04
vi. Equity of OSP	33.08	-	33.08
Total of (B)	**2,034.59**	**7.44**	**2,042.03**
(C) Amount recoverable from NVDA i.e. (B-A)	**0.09**	**(0.28)**	**(0.19)**

Omkareshwar Project (OSP): -

(₹ in Crore)

(D) Amount received in Cash or in kind	**Cumulative up to 31.03.2018**	**During 2018-19**	**Cumulative up to 31.03.2019**
i. Expenditure by NVDA on account of Project	126.11	1.65	127.76
ii. Cash Received	646.41	5.00	651.41
iii.Amount transferred from ISP A/C	33.08	-	33.08
Total of (D)	**805.60**	**6.65**	**812.25**
(E) Due/Adjusted on account of			**-**
i. Equity Capital	300.16	-	300.16
ii. Irrigation Component	239.33	0.31	239.64
iii. Sub-venation towards excess R&R Expenses	76.06	1.84	77.90
iv. Amount Transferred to ISP A/C	8.56	-	8.56
v. Additional Special R&R Package	207.83	0.35	208.18
Total of (E)	**831.94**	**2.50**	**834.44**
(F) Amount recoverable from NVDA i.e. (E-D)	**26.34**	**(4.15)**	**22.19**
(G) Total Amount recoverable i.e (C+F)	**26.43**	**(4.43)**	**22.00**

Movement of Grant in Reserve during Financial Year 2018-19 is as under:-

(₹ in Crore)

Sl. No.	Particulars	01.04.2018	Additions	Deductions	31.03.2019
1.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid	237.60	0.78	12.99	225.39
2.	Proportionate Sub-vention towards Sardar Sarovar Project transferred from NVDA Account for ISPS.	303.64	1.00	16.60	288.04
3.	Contribution by Govt of Madhya Pradesh towards R&R of ISPS.	277.60	5.66	16.26	267.00
4.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid	138.92	0.31	10.77	128.46
5.	Contribution by Govt of Madhya Pradesh towards R&R of OSPS.	218.30	2.19	11.35	209.14
	Total	**1,176.06**	**9.94**	**67.97**	**1,118.03**

8. The effect of foreign exchange rate variation (FERV) during the yearare as under:

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	Amount charged to Statement of Profit and Loss as FERV	49.75	(3.18)
(ii)	Amount charged to Statement of Profit and Loss as Borrowing Cost*	143.79	22.69
(iii)	Amount recognised in Regulatory Deferral Account Balances	0.99	(0.57)
(iv)	Amount adjusted by addition to the carrying amount of Property, Plant and Equipment	0.05	(0.02)

*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 ₹ **6084.17** Crore (Previous year ₹ **5436.57 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 31.03.2020	For the year ended 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Uttar Pradesh Power Corporation Limited.	1616.62	1476.40	16.15%	16.46%
2	Power Development Department, Jammu & Kashmir Govt./ JK Power Corporation Limited	1479.07	1380.28	14.78%	15.39%
3	Madhya Pradesh Power Management Company Limited	1273.37	804.54	12.72%	8.97%
4	West Bengal State Electricity Board	865.67	908.55	8.65%	10.13%
5	Punjab State Power Corporation Limited	849.44	866.80	8.49%	9.66%
	Total	**6084.17**	**5436.57**	**60.79%**	**60.61%**

d) 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 31.03.2020	For the year ended 31.03.2019
1	Bhutan	4.30	6.16
	Total	**4.30**	**6.16**

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	Principal place of operation
National High Power Test Laboratory (P) Ltd. (NHPTL)	India
Chenab Valley Power Projects Private Ltd. (CVPPL)	India

(ii) Key Managerial Personnel:

Sl. No.	Name	Position Held
1	Shri Abhay Kumar Singh	Chairman and Managing Director(Joined on 24.02.2020)
2	Shri Balraj Joshi	Chairman and Managing Director (Superannuated on 31.12.2019)
3	Shri Ratish Kumar	Director (Projects), (Additional Charge of Chairman and Managing Director from 01.01.2020 to 23.02.2020)
4	Shri Nikhil Kumar Jain	Director (Personnel)
5	Shri Mahesh Kumar Mittal	Director (Finance) and CFO
6	Shri Janardan Choudhary	Director (Technical)
7	Shri Aniruddha Kumar	Govt. Nominee Director
8	Shri Bhagwat Prasad	Independent Director
9	Shri Jugal Kishore Mohapatra	Independent Director

Sl. No.	Name	Position Held
10	Prof. (Smt.) Kanika T. Bhal	Independent Director (Retired on 17.11.2019)
11	Shri Satya Prakash Mangal	Independent Director (Retired on 17.11.2019)
12	Prof. Arun Kumar	Independent Director (Retired on 17.11.2019)
13	Shri Vijay Gupta	Company Secretary

(iii) Post-Employment Benefit Plans :

Name of Related Parties	Principal place of operation
NHPC Ltd. Employees Provident Fund	India
NHPC Ltd. Employees Group Gratuity Assurance Fund	India
NHPC Ltd. Retired Employees Health Scheme Trust	India
NHPC Employees Social Security Scheme Trust	India
NHPC Ltd. Employees Defined Contribution Superannuation Scheme Trust	India
NHPC Ltd. 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	State Government 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 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 Joint Ventures

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Services Provided by the Group		
▪ CVPPL	20.25	19.13
Equity contributions by the Group		
▪ CVPPL	140.45	100.00
Reimbursement of Cost of employee on deputation		
▪ CVPPL	3.25	2.84
Interest on Loan given		
▪ NHPTL	0.60	0.60

(ii) Compensation to Key Management Personnel:

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Short Term Employee Benefits	4.76	3.70
Post-Employment Benefits	0.72	0.77
Other Long Term Benefits	0.28	0.18

(₹ in crore)

Other Transactions with KMP	For the year ended 31.03.2020	For the year ended 31.03.2019
Sitting Fees and other reimbursements to non-executive/independent directors	0.24	0.44
Interest Received during the year	0.01	0.02

Transactions with other related parties- Post Employment Benefit Plans

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Contribution to EPF Trust	467.11	342.47
Contribution to Gratuity Trust/(Net of Refund from Trust)	(83.60)	(59.20)
Contribution to REHS Trust/(Net of Refund from Trust)	(88.30)	1.73
Contribution to Social Security Scheme Trust	6.97	7.46
Contribution to EDCSS Trust	201.64	131.91
Contribution to Leave Encashment Trust	34.14	27.12

(iv) Transactions with Government that has control over the Group- Central Government /State Government. (This includes transactions with various Ministries, CISF etc.)

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Services Received by the Group (includes ₹ 199.25 crore (Previous year ₹ 504.44 crore) pertains to State Govt. of J&K)	535.96	813.93
Services Provided by the Group	5.76	31.66
Sale of goods/Inventory made by the Group (includes ₹ 1347.11 crore (Previous year ₹ 1295.42 crore) pertains to State Govt. of J&K and ₹ 1273.36 crore (Previous year ₹ 1367.01 crore) pertains to Govt. of Uttar Pradesh)	4262.99	2758.03
Purchase of property/Other assets	-	1.83
Purchase of Goods/Inventory	40.23	5.87
Dividend Paid During The Year to Government of India	1393.41	738.15
Dividend Paid During The Year to Government of Madhya Pradesh	464.72	265.96

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Subordinate Debts received by the Group	554.64	482.00
Payment of Guarantee Fee to Govt. of India	13.43	18.61
Buy-Back of Shares by Group from Govt. of India	-	142.27
Grant Received from MNRE (Through SECI)	-	12.50
8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest received from GOI)	164.01	2021.69

(v) Transactions with entities controlled by the Government that has control over the Group

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i)	(ii)	(iii)
Purchase of property/Other assets	87.99	52.52
Purchase of goods/Inventory	36.48	32.66
Services Received by the Group	215.51	120.19
Services Provided by the Group	1.64	16.20
Sale of goods/Inventory made by the Group	79.21	880.21
Settlement Amount received by the Group against Insurance Claims	56.39	52.92

(C) Outstanding balances and guarantees with Related Parties:

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
(i)	(ii)	(iii)
Balances with Joint Ventures (CVPPL and NHPTL)		
• Receivables	42.94	95.46
• Loan Outstanding (including interest accrued)	6.27	6.00
Balances with KMP		
• Receivables	0.05	0.05
Balances with Trust created for post- employment benefit plans of NHPC		
Receivable		
• Gratuity Trust	40.30	78.45
• REHS Trust	135.52	-
Payable		
• EPF Trust	28.50	143.92
• REHS Trust	0.24	2.40
• Social Security Scheme Trust	0.54	0.62
• EDCSS Trust	11.17	83.24
• Leave Encashment Trust	1.78	38.51

Particulars	As at 31.03.2020	As at 31.03.2019
(i)	(ii)	(iii)
Balances with Government that has control over the Group-Central Government/State Government		
• Payables	221.31	86.36
• Receivables	4619.23	3828.87
• Loan from Government (Subordinate debts)	4741.21	4209.69
Guarantee Received from Government (Against Foreign Currency Borrowing)	1132.22	1118.79
Balances with Entities controlled by the Government that has control over the Group		
• Payables	63.96	46.27
• Receivables	94.89	365.85
• Balances Out of Commitments	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 Rs 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 subsidiary and joint venture companies at the year-end are unsecured and settlement occurs through banking transaction. These balances other than loans are interest free. 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 subsidiary and 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 31.03.2020	As at 31.03.2019
	First Charge		
1	Property Plant and Equipment	11,617.29	10190.38
2	Capital Work In Progress	7,898.75	7429.43
	Total	**19,516.04**	**17619.81**

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 31.05.2020. 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 ₹ **5.52 Crore** (Previous year ₹ **3.81Crore**).

(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 ₹ **87.82 Crore** (Previous year ₹ **127.36 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 2019-20 and 2018-19 are as follows:

(₹ 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**
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(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)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**2502.67**	**2522.49**	**(19.82)**
Current Service Cost	95.73	-	95.73
Interest Expenses/ (Income)	192.71	186.74	5.97
Total	**288.44**	**186.74**	**101.70**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expense/(income)	-	7.08	(7.08)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	0.04	-	0.04
Experience (gains)/Losses	(28.03)	22.80	(50.83)
Total	**(27.99)**	**29.88**	**(57.87)**
Contributions:-			
-Employers	-	95.73	(95.73)
-Plan participants	268.97	268.97	-
Benefit payments	(385.02)	(385.02)	-
Closing Balance as at 31.03.2019	**2647.07**	**2718.80**	**(71.73)**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Present Value of funded obligations	2,987.17	2,647.07
Fair value of Plan Assets	2,999.68	2,718.80
Deficit/(Surplus) of funded plans	**(12.51)**	**(71.73)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(12.51)**	**(71.73)**

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 ₹ 12.51 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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	0.006%	0.005%	Increase by	0.006%	0.005%

(ii) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2020 and 31.03.2019 along with the movements in the net defined benefit obligation during the years 2019-20 and 2018-19 are as follows:

(₹ 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)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**724.52**	**608.33**	**116.19**
Adjustment	-	(0.10)	0.10
Current Service Cost	22.50	-	22.50
Interest Expenses/ (Income)	55.79	46.84	8.95
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**78.29**	**46.74**	**31.55**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	4.01	(4.01)
(Gain)/loss from change in demographic assumptions	(0.27)	-	(0.27)
(Gain)/loss from change in financial assumptions	5.92	-	5.92
Experience (gains)/Losses	(13.97)	-	(13.97)
Total Amount recognised in Other Comprehensive Income	**(8.32)**	**4.01**	**(12.33)**
Contributions:-			
-Employers	-	200.66	(200.66)
-Plan participants	-	-	-
Benefit payments	(98.60)	(95.83)	(2.77)
Closing Balance as at 31.03.2019	**695.89**	**763.91**	**(68.02)**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Present Value of funded obligations	670.95	695.89
Fair value of Plan Assets	698.37	763.91
Deficit/(Surplus) of funded plans	**(27.42)**	**(68.02)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(27.42)**	**(68.02)**

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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	3.18%	2.96%	Increase by	3.40%	3.16%
Salary growth rate	0.50%	0.50%	Increase by	0.53%	0.63%	Decrease by	0.60%	0.73%

(iii) Retired Employees Health Scheme (REHS): The amount recognised in the Balance Sheet as at 31.03.2020 and 31.03.2019 along with the movements in the net defined benefit obligation during the years 2019-20 and 2018-19 are as follows:

(₹ 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)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**793.62**	**791.62**	**2.00**
Current Service Cost	16.12	-	16.12
Interest Expenses/ (Income)	61.11	60.47	0.64
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**77.23**	**60.47**	**16.76**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	7.52	(7.52)
(Gain)/loss from change in demographic assumptions	(0.92)	-	(0.92)
(Gain)/loss from change in financial assumptions	16.23	-	16.23
Experience (gains)/Losses	3.16	-	3.16
Total Amount recognised in Other Comprehensive Income	**18.47**	**7.52**	**10.95**
Contributions:-			
-Employers	-	27.63	(27.63)
-Plan participants	-	-	-
Benefit payments	(23.79)	(23.76)	(0.03)
Closing Balance as at 31.03.2019	**865.53**	**863.48**	**2.05**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2020	31st March 2019
Present Value of funded obligations	852.18	865.53
Fair value of Plan Assets	987.72	863.48
Deficit/(Surplus) of funded plans	**(135.54)**	**2.05**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(135.54)**	**2.05**

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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	6.79%	6.77%	Increase by	6.86%	6.85%
Medical cost rate	0.50%	0.50%	Increase by	6.87%	6.91%	Decrease by	6.80%	6.78%

(iv) Allowances on Retirement/Death: The amount recognised in the Balance Sheet as at 31.03.2020 and 31.03.2019 along with the movements in the net defined benefit obligation during the years 2019-20 and 2018-19 are as follows:

(₹ 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**	**-**	**5.78**
Current Service Cost	0.29	-	0.29
Interest Expenses/ (Income)	0.44	-	0.44
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.73**	**-**	**0.73**
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	0.47	-	0.47
Experience (gains)/Losses	(0.62)	-	(0.62)
Total Amount recognised in Other Comprehensive Income	**(0.15)**	**-**	**(0.15)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.31)	-	(0.31)
Closing Balance as at 31.03.2020	**6.05**	**-**	**6.05**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**5.75**	**-**	**5.75**
Current Service Cost	0.27	-	0.27
Interest Expenses/ (Income)	0.44	-	0.44
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.71**	**-**	**0.71**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	(0.02)	-	(0.02)
(Gain)/loss from change in financial assumptions	0.07	-	0.07
Experience (gains)/Losses	(0.66)	-	(0.66)
Total Amount recognised in Other Comprehensive Income	**(0.61)**	**-**	**(0.61)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.07)	-	(0.07)
Closing Balance as at 31.03.2019	**5.78**	**-**	**5.78**

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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	4.87%	3.93%	Increase by	5.92%	4.00%
Cost Increase	0.50%	0.50%	Increase by	6.12%	4.05%	Decrease by	5.11%	3.81%

(v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2020 and 31.03.2019 along with the movements in the net defined benefit obligation during the years 2019-20 and 2018-19 are as follows:

(₹ 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**	**-**	**3.63**
Current Service Cost	0.14	-	0.14

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2019-20	
Interest Expenses/ (Income)	0.27	-	0.27
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.41**	**-**	**0.41**
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	0.20	-	0.20
Experience (gains)/Losses	(0.30)	-	(0.30)
Total Amount recognised in Other Comprehensive Income	**(0.10)**	**-**	**(0.10)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.49)	-	(0.49)
Closing Balance as at 31.03.2020	**3.45**	**-**	**3.45**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**2.19**	**-**	**2.19**
Current Service Cost	1.72	-	1.72
Interest Expenses/ (Income)	0.17	-	0.17
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**1.89**	**-**	**1.89**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	0.03	-	0.03
Experience (gains)/Losses	(0.18)	-	(0.18)
Total Amount recognised in Other Comprehensive Income	**(0.16)**	**-**	**(0.16)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.29)	-	(0.29)
Closing Balance as at 31.03.2019	**3.63**	**-**	**3.63**

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 2020	31st March 2019		31st March 2020	31st March 2019		31st March 2020	31st March 2019
Discount Rate	0.50%	0.50%	Decrease by	4.61%	4.90%	Increase by	4.87%	5.19%

(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:

Particulars	31st March 2020	31st March 2019
Discount Rate	6.78%	7.56%
Salary growth rate	6.50%	6.50%

(d) The major categories of Plan Assets are as follows:

Provident Fund:

(₹ 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**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1557.03	-	**1557.03**	57.36
Corporate Bonds	1012.64	-	**1012.64**	37.31
Investment Funds				
Mutual Funds	60.68	-	**60.68**	2.23
LIC	-	-	**-**	-
Cash and Cash Equivalents	**-**	**10.78**	**10.78**	**0.40**
Accrued Interest	**73.23**	**-**	**73.23**	**2.70**
Total	**2703.58**	**10.78**	**2714.36**	**100.00**

Gratuity

(₹ 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**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	763.90	**763.90**	100.00
Cash and Cash Equivalents	-	-	**-**	-
Total	**-**	**763.90**	**763.90**	**100.00**

Retired Employees Health Scheme (REHS):

(₹ 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**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	4.72	-	**4.72**	0.55
Corporate Bonds	739.05	-	**739.05**	85.62
LIC Scheme	**-**	**88.69**	**88.69**	**10.28**
Fixed Deposit	-	2.77	**2.77**	0.32
Cash and Cash Equivalents	-	0.47	**0.47**	0.05
Accrued Interest	**27.47**	**-**	**27.47**	**3.18**
Total	**771.24**	**91.93**	**863.17**	**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, 2021 are ₹ **151.72 Crore**.

The weighted average duration of the defined benefit obligations is 10.15 Years (2018-2019 : 10.14 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
31.03.2020	500.03	983.71	449.08	1,054.36	2,987.18
31.03.2019	430.95	916.17	443.34	856.61	2647.07

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
31.03.2020					
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**	**1532.63**
31.03.2019					
Gratuity	106.75	75.39	100.40	413.35	695.89
Post-employment Medical Benefits (REHS)	36.31	38.51	128.68	662.00	865.50
Allowances on Retirement/Death	0.65	0.65	1.40	3.10	5.80
Memento to employees on attaining the age of superannuation	0.56	0.51	1.00	1.56	3.63
TOTAL	**144.27**	**115.06**	**231.48**	**1080.01**	**1570.82**

(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 ₹ **108.81 Crore** (31st March 2019: ₹ **68.28 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 31.03.2020	For the year ended 31.03.2019
a)	Expenditure in Foreign Currency		
	i) Interest	25.29	21.37
	ii) Other Misc. Matters	81.53	83.60
b)	Value of spare parts and Components consumed in operating units.		
	i) Imported	-	-
	ii) Indigenous	21.40	25.44

14. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	3.10	1.71
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	2.86	2.54
Par value per share (₹)	10	10

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	3115.11	1752.19
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	2874.61	2595.61

c) Reconciliation of weighted average number of shares used as denominator :

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Weighted Average number of equity shares used as denominator	10045034805	10218811713

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 Limited.								
31.03.2020	78.24	27047.22	75.67	2515.70	24.70	(0.62)	75.71	2515.09
31.03.2019	81.21	27343.27	82.99	2353.39	97.94	(12.41)	82.92	2340.98
Subsidiaries								
NHDC								
31.03.2020	6.82	2328.59	10.71	356.05	38.25	(0.96)	10.69	355.09
31.03.2019	7.61	2562.20	8.35	236.90	1.03	(0.13)	8.39	236.77
Loktak Downstream Hydroelectric Corporation Ltd. (LDHC Ltd.)								
31.03.2020	0.29	99.86	0.01	0.07	-	-	0.01	0.07
31.03.2019	0.29	96.80	0.01	0.29	-	-	0.01	0.29
Bundelkhand Saur Urja Ltd. (BSUL)								
31.03.2020	0.01	3.69	(0.01)	(0.19)	-	-	(0.01)	(0.19)
31.03.2019	0.01	2.89	(0.01)	(0.20)	-	-	(0.01)	(0.20)
Lanco Teesta Hydro Power Limited (LTHPL)								
31.03.2020	2.81	957.72	(0.01)	(0.06)	-	-	(0.01)	(0.06)
31.03.2019	-	-	-	-	-	-	-	-
Non-controlling Interests in all subsidiaries								
31.03.2020	8.10	2763.88	13.54	450.10	36.65	(0.92)	13.52	449.18
31.03.2019	8.52	2868.47	8.47	240.17	0.95	(0.12)	8.50	240.05
Joint Ventures (Investments as per the equity method)								
National High Power Test Laboratory Private Limited (NHPTL)								
31.03.2020	0.06	22.06	(0.12)	(4.01)	0.40	(0.01)	(0.12)	(4.02)
31.03.2019	0.08	26.08	(0.06)	(1.74)	0.08	(0.01)	(0.06)	(1.75)
Chenab Valley Power Projects (P) Ltd. (CVPPPL)								
31.03.2020	2.67	911.46	0.21	7.05	-	-	0.21	7.05
31.03.2019	2.28	766.57	0.25	6.98	-	-	0.25	6.98
TOTAL								
31.03.2020	**100.00**	**34134.49**	**100.00**	**3324.72**	**100.00**	**(2.51)**	**100.00**	**3322.21**
31.03.2019	**100.00**	**33666.28**	**100.00**	**2835.79**	**100.00**	**(12.67)**	**100.00**	**2823.12**

16. Commitments and contingent liabilities in respect of Joint Ventures:

(₹ in crore)

	Particulars	31.03.2020	31.03.2019
A	Contingent Liabilities	43.88	2.89
B	Capital Commitments	3840.00	1998.39

17. Disclosure related to Confirmation of Balances is as under :

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors 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, 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, 2019. Status of confirmation of balances as at December 31, 2019 as well as amount outstanding as on 31.03.2020 is as under:

(₹ in Crore)

Particulars	Outstanding amount as on 31.12.2019	Amount confirmed	Outstanding amount as on 31.03.2020
Trade receivable	3784.03	213.66	3816.44
Deposits, Advances to contractors/ suppliers/service providers/ others including for capital expenditure and material issued to contractors	983.47	315.57	976.09
Trade/Other payables	362.84	62.63	642.66
Security Deposit/Retention Money payable	165.69	26.61	127.32

(c) In the opinion of the management, unconfirmed balances will not have any material impact.

18. Disclosures regarding leases as per IND AS -116 "Leases":

A) Group as Lessee:

(i) Transition to Ind AS 116

With effect from 1 April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method. Accordingly, comparatives for the year ended 31st March 2019 have not been restated.

The Group has recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate on the date of initial application and the right of use asset at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.On transition to Ind AS 116, the Group has recognised right of use assets and equivalent amount of lease liabilities amounting to ₹ **16.22 Crore**.

Further Land- Right to Use, Building- Right to Use and other assets amounting to ₹ **2423.07 Crore** have been classified/reclassified and presented as Right of Use assets on the Balance Sheet.

In the Statement of Profit and Loss for the current year, lease expenses have been classified from other expenses and employee benefit expenses to depreciation and amortization expenses for the right-of-use lease assets and finance cost for interest accrued on lease liability.

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 initial application.

d. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

e. The Group has elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease as perInd AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 7.85%.

There were no future minimum lease rental commitments in respect of non-cancellable operating leases as per Ind AS 17 as on March 31, 2019 as disclosed in Sl. No. 18 of Note No. 34 of Financial Statement for the Financial Year 2018-19. Accordingly, lease liabilities accounted as at April 1, 2019 due to transition to Ind AS 116 is substantially due to inclusion of present value of the lease payments for the cancellable term of these lease agreements.

(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 31.03.2020:

(₹ in Crore)

Sl. No	Description	31.03.2020
1	Expenditure on short-term leases	16.91
2	Expenditure on lease of low-value assets	0.14
3	Variable lease payments not included in the measurement of lease liabilities	9.27

(iv) Commitment for Short Term Leases as on 31.03.2020 is ₹ **4.30 Crore**.

(v) The following is the movement in lease liabilities during the year ended March 31, 2020:

(₹ in Crore)

Description	31.03.2020
Opening Balance	16.22
Additions in lease liabilities	3.97
Finance cost accrued during the year	1.33
Less: Payment of lease liabilities	5.04
Closing Balance	**16.48**

B) Finance Lease – Company as Lessor

The Group has entered into an 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 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). The Group has classified the Power Station as embedded Finance Lease as per Appendix-C to Ind AS 17- Leases. The Group has elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. 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 ₹ **755.82 Crore** during the year (previous year ₹ **772.49 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 31.03.2020:

(₹ in Crore)

Description	31.03.2020
Undiscounted lease payments receivable:	
Less than one year	840.69
One to two years	828.48
Two to three years	816.60
Three to four years	802.15
Four to five years	789.62
More than five years	15,018.81
Total undiscounted lease payments receivable	**19,096.35**
Less: Unearned finance income	13,879.87
Add: Discounted unguaranteed residual value	12.75
Net investment in the lease	**5,229.23**

Significant changes in the carrying amount of the net investment in finance leases

(₹ in Crore)

Description	31.03.2020
Opening Balances	5,569.27
Additions during the year	22.79
Income from Finance Lease for the year	755.82
Less: Amount received during the year	1,118.65
Closing Balances	**5,229.23**

Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year 31.03.2019 was as under:

(i) Gross investment in the Lease :

(₹ in Crore)

Description	31.03.2019
Within one year	968.69
After one year but not more than five years	3409.82
More than five years	13738.83
Total	**18117.34**

(ii) Present value of minimum lease payments receivable:

(₹ in Crore)

Description	31.03.2019
Within one year	213.86
After one year but not more than five years	617.04
More than five years	4738.37
Total	**5569.27**

(iii) Reconciliation between the gross investment in the lease and the present value of minimum lease payments receivable is as follows:

(₹ in Crore)

Description	31.03.2019
Gross investment in Lease	18117.34
Adjustments:	
Less: Un-earned Finance Income	11759.68
Less: Unguaranteed residual value	788.39
Present value of Minimum Lease Payment (MLP)	**5569.27**

C) Operating Lease –Company as Lessor :

The Group has entered into an arrangement with West Bengal State Electricity Board for sale of power from TLDP-III and TLDP-IV power station for a period of 5 years and with Jodhpur VidyutVitran 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. Accordingly, the Group has classified these Power Stations as Operating Leases as per Appendix-C to Ind AS 17- Leases. The Group has elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Group has earned "Income from Operating Lease" for the year of ₹ **666.57 Crore** during the year (previous year ₹ **748.61 Crore**).

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 31.03.2020 in respect of TLDP-IV Power Station till the date of Power purchase agreement:

(₹ in Crore)

Description	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**

Future minimum rentals receivable under non-cancellable operating leases at the end of Financial Year 31.03.2019 was as follows:

(₹ in Crore)

Description	31.03.2019
Within one year	211.02
After one year but not more than five years	198.34
Total	**409.36**

19. 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, 2020. 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. 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 2019-20. Further, there exists no impairment in respect of the Projects / Power Stations of the Group during FY 2019-20.

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 deductedfrom free power to the State Government, there would not be any impact on the profit of the Group.

21. Pending approval of tariff by the Central Electrical Regulatory Commission (CERC) and/or approval of revised cost estimate, sales have been recognized as per management estimate based on Tariff Regulation/ orders in respect of TLDP-IV Power Station. Further, sales have also been recognised on the said basis and assumptions towards Energy Shortfall, Reimbursement of additional impact of GST due to change in law, Reimbursement of Security Expenses, Impact of change in Depreciation Rate due to increase in life of Hydro Generating Stations, Impact of wage revision of NHPC staff and KV School, Impact of O&M Expenses due to implementation of CERC Regulation, 2019. Consequently, Revenue from Operations includes **₹ 601.94 Crore** (Previous Year ₹ **515.05 Crore**) pertaining to these and pending such approvals ₹ **601.94 Crore** (Previous Year ₹ **515.05 Crore**) has so far accrued and included under Receivable on account of unbilled revenue.

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 andConstruction 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 Oct-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 ₹ **2578.00 Crore**), employee benefits expense, depreciation and other expense of ₹ **1427.67 crore** (uptoPrevious year ₹ **1318.03 Crore**), net of other income of ₹ **322.60 Crore** (upto Previous year ₹ **279.06 Cror**e) 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 w.e.f 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 31.03.2020 are as under:

(₹ in Crore)

Regulatory asset created in relation to:	Upto 31.03.2019	During the year ended 3103.2020	Upto 31.03.2020
Borrowing Costs	2352.06	157.61	2509.67
Employee Benefit expense	593.13	35.60	628.73
Depreciation	51.27	3.59	54.86
Other Expense	546.56	16.27	562.83
Other Income	(275.68)	(9.82)	(285.50)
Total	**3267.34**	**203.25**	**3470.59**

Management has assessed that the incremental additions to regulatory deferral account balances in respect of the Project meets the level of certainty and prudence required for recognition as per Ind AS 114. Further, as per management assessment, there is no impairment in the carrying amount of ₹ **7263.48 crore** included under Capital Work in Progess 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 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 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 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 w.e.f. 01.04.2019 amounting to ₹ **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 31.03.2020 in the financial statement are as under:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2019	**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 31.03.2020 (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 2014-19 and the depreciation allowed by way of tariff and further 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 01.04.2019	**171.98**
B	Addition during the year (assets (+)/ liability (-))	195.62
C	Amount collected (-)/refunded (+) during the year	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**195.62**
E	**Closing balance as on 31.03.2020 (A+D)**	**367.60**

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 from01.04.2016. 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 01.04.2019	**(0.97)**
B	Addition during the year (assets (+)/ liability (-))	0.99
C	Amount collected (-)/refunded (+) during the year	0
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**0.99**
E	**Closing balance as on 31.03.2020 (A+D)**	**0.02**

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 01.04.2019	**2034.82**
B	Addition during the year (assets (+)/ liability (-))	-
C	Amount collected (-)/refunded (+) during the year	167.99
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**(167.99)**
E	**Closing balance as on 31.03.2020 (A+D)**	**1866.83**

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 01.04.2019	**835.04**
B	Addition during the year (assets (+)/ liability (-))	69.46
C	Amount collected (-)/refunded (+) during the year	(67.41)
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**2.05**
E	**Closing balance as on 31.03.2020 (A+D)**	**837.09**

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 Balances
A	Opening balance as on 01.04.2019	**-**
B	Addition during the year (assets (+)/ liability (-))	(474.42)
C	Amount collected (-)/refunded (+) during the year	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**(474.42)**
E	**Closing balance as on 31.03.2020 (A+D)**	**(474.42)**

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable uptotariff 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.

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 31.03.2020 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, 2020	As at 31st March, 2019
Business Interruption Loss	202.98	74.01	-	128.97*	202.26

* 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 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 31.03.2020 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, 2020	As at 31st March, 2019
Against material damage	31.23	-	4.00	27.23	-
Business Interruption Loss	81.08	-	-	81.08*	-
Total	**112.31**	**-**	**4.00**	**108.31**	**-**

* Included in Contingent Assets in Para 3 (d) to Note no. 34.

(iii) The Assets of the all power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim in r/o power stations (other than major claims of Uri-II and Chamera-II disclosed at para 24 (i) and (ii) above as on 31.03.2020 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, 2020	As at 31st March, 2019
Against material damage	38.91	5.28	18.50	15.13	23.53

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 NHPC 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 ₹ **226.32 Crore**) incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision made in earlier years in this respecthas 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 ₹ **265.94 crore** (previous year ₹ **255.40 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 ₹ **360.31 crore** (previous year ₹ **349.77 Crore**)up to 31.03.2020 has been made in the books of accounts.

27. a) Forest Clearance in respect of Tawang Stage-II Hydroelectric Project is under process. Forest Clearance for Tawang-I Hydroelectric Project shall be taken up after Forest Clearance of Tawang-II HE Project. Pending this, expenditure of ₹ **225.23 crore** (previous year ₹ **217.37 Crore**) incurred on these projects is being carried forward as Capital Work in Progress.

b) In terms of Board Resolution vide meeting of the Board of Directors held on 05/02/2013 an amount of ₹ **2.49 crore** has been paid to the State Govt. towards Basin Study for Tawang I and II projects and other projects in the basin to be reimbursable by the Government of Arunachal Pradesh (GoAP) on pro-rata basis. Pending this, expenditure of ₹ **2.49 crore** (previous year ₹ **2.49 Crore**) is being carried forward as Capital Work in Progress.

c) Implementation of Tawang-I Hydroelectric Project has temporarily suspended. Accordingly, the expenditure incurred on the Project amounting to ₹ **97.57 crore** has been carried forward under Capital Work in Progress. However as a matter of abandon caution a provision of ₹ **97.57 crore** have been made in the books of account during the current year.

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 31.03.2020 amounting to ₹ **35.70 Crore** (previous year ₹ **35.61 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.70 Crore** (previous year ₹ **35.61 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 31.03.2020 amounting to ₹ **46.08 Crore** (previous year ₹ **45.98 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.08 Crore** (previous year Rs NIL) has been made in the books of accounts.

29. During the year ended Group has applied Ind AS 116 "Leases". Further, the useful life of Property, Plant and Equipment of hydropower Stations of the Group have been changed prospectively to 40 years instead of 35 years in line with CERC Tariff Regulations, 2019-24 with consequential reduction in depreciation of those Power Stations which have completed 12 years of useful life. Impact of these changes in the Financial Statements of the Group is as under:

Sl. No.	Description	(₹ In Crore)
1	Impact of Ind AS 116 "Leases" on the Statement of Profit and Loss: Decrease in Profit **(Refer Note 29)**.	0.26
2	Decrease in Expenditure (depreciation) due to change in useful life of the Property, Plant and Equipment.	83.16

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) 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	
	31.03.2020	**31.03.2019**	**31.03.2020**	**31.03.2019**
National High Power Test Laboratory (P) Ltd.	6.27	6.00	6.27	6.00

(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)

31. Quantitative details of Renewable Energy Certificates (RECs) in respect of renewable energy projects:

Sl. No.	Description	Quantity (in Numbers)	
		For the year ended 31.03.2020	For the year ended 31.03.2019
1	RECs issued	7042	125386
2	RECs under certification	-	4020
3	RECs sold during the year	7042	125386

32. Disclosure as per Ind AS 103 'Business Combinations':

Acquisition of Lanco Teesta Hydro Power Limited ('LTHPL'): During the year, 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, 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

Particulars	Amount
Total Assets	**938.43**
Total Liabilities	**NIL**
Total Net Identifiable Assets Acquired	**938.43**
Less: Purchase Consideration	**897.50**
Gain on bargain purchase	**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) **Gain on bargain purchase:** The Group has recognised ₹ **40.93 Crore** as gain on bargain purchase in 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 have been included in "Other Expenses" in Statement of Profit and Loss and in operating activities in statement of cash flows.

(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 group's result. Since the Company has not yet commenced operations, impact on revenue and profit before tax of the Group for the year 2019-20 had the acquisition occurred on 1 April 2019 is not ascertainable.

There were no acquisitions in the year ended 31 March 2019.

33. IMPACT OF COVID-19

Consequent to outbreak of COVID 19 which has been declared a pandemic by World Health Organisation (WHO) Government of India and State Governments have declared lockdown which have affected business in general. The Group's primary source of revenue is from generation of hydroelectricity. 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, there is no significant impact of the COVID-19 pandemic on the Group's financial resources and performances. The expected impact of the pandemic on the financial performance for FY 2020-21 includes the following:

a) Construction activities at Parbati-II and Subansiri Lower Projects were halted from 23.03.2020 to 22.04.2020 and 23.03.2020 to 20.4.2020 respectively, which is expected to have an impact on the completion schedule and the projected completion cost of these projects.

b) The restoration schedules of three Power Stations i.e. Chamera-II Power Station, Kishanganga Power Station and Loktak Power Station have been affected due to movement restrictions imposed in wake of COVID-19 pandemic.

c) The Ministry of Power vide letter dated 15th May 2020 and corrigendum dated 16th May 2020 has conveyed the decision of the Government of India to provide rebate of 20-25% on fixed cost billed to beneficiary DISCOMs. Accordingly, the proposal of rebate estimated to be of ₹ 185 Crore is under consideration to be provided amongst beneficiary DISCOMs during FY 2020-21.

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 Group'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 ₹ **3816.44 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 Group 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, 2020, 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 Group 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 interalia including the carrying value of various current and non- current assets or on the going concern assumptions of the Group is expected to arise. The actual impact of panademic is however dependent upon future development. The Group will continue to monitor the variation in situations and same will be taken in to consideration on crystallisation.

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**ABHAY KUMAR SINGH** Chairman & Managing Director DIN 08646003

As per report of even date

For Arora Vohra & Co. Chartered Accountants FRN: 009487N	**For DSP & Associates** Chartered Accountants FRN: 006791N	**For Lodha & Co.** Chartered Accountants FRN: 301051E
(A. K. Aggarwal) Partner M. No. 013833	**(Sanjay Jain)** Partner M. No. 084906	**(R.P. Singh)** Partner M. No. 052438

Place : Faridabad
Date : 27th June, 2020

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
2	**Name of the subsidiary**	**NHDC Ltd.**	**Loktak Downstream Hydroelectric Corporation Ltd.**	**Bundelkhand Saur Urja Ltd.**	**Lanco Teesta Hydro Power Limited *****
3	The date since when subsidiary was acquired	01.08.2000	23.10.2009	02.02.2015	09.10.2019
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	"Same as that of Holding Company (01.04.2019-31.03.2020)"	"Same as that of Holding Company (01.04.2019-31.03.2020)"	"Same as that of Holding Company (01.04.2019-31.03.2020)"	"Same as that of Holding Company (01.04.2019-31.03.2020)"
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
6	Share capital	1,962.58	123.39	5.00	920.50
7	Reserves & surplus	3,600.21	19.88	4.41	40.87
8	Total assets	7,620.40	148.36	26.38	968.39
9	Total Liabilities	2,057.61	5.09	16.97	7.02
10	Investments	Nil	Nil	Nil	Nil
11	Turnover	1,273.36	-	-	-
12	Profit before taxation*	495.45	0.13	-	(2,955.75)
13	Provision for taxation**	(424.52)	0.03	0.17	-
14	Profit after taxation	919.97	0.10	(0.17)	(2,955.75)
15	Proposed dividend	Nil	Nil	Nil	Nil
16	Extent of shareholding (in percentage)	51.08%	73.17%	99.99%	100%

* Including income on regulatory deferral account balances.

** Provision for taxation includes tax expenses and tax on regulatory deferral account balances.

*** Lanco Teesta Hydro Power Limited ('LTHPL') was acquired by NHPC Limited on 09/10/2019 through NCLT. On date of acquisition, the assets of LTHPL were fair valued and loss of Rs 2955.69 Crore was recognised in Profit & Loss Account of the subsidiary company LTHPL. Gain due to extinguishment of Equity Share Capital of erstwhile Equity holders, settlement of debts and extinguishment of all other liabilities, amounting to Rs. 3685.08 Crore was recognised in Capital Reserve of the LTHPL as per the terms of the approved Resolution Plan. However, as the accounts of Lanco Teesta Hydro Power Limited have been consolidated in NHPC Group accounts w.e.f. 09/10/2019, loss of Rs. 0.06 Crore incurred beyond that date has been considered for consolidation in Group Accounts.

The assets of LTHPL 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 Rs. 40.93 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. 2. Bundelkhand Saur Urja Ltd. 3. Lanco Teesta Hydro Power 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 2020	31st March 2019*
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.	888,000,000	30,400,000
	Amount of Investment in Joint Venture	888.00	30.40
	Extend of Holding %	49.89%	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	914.28	26.35
7	**Profit / (Loss) for the year**		
i	Considered in Consolidation	7.05	(4.01)
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 31.03.2020.

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

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

ABHAY KUMAR SINGH
Chairman & Managing Director
DIN 08646003

As per report of even date

For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N

(A. K. Aggarwal)
Partner
M. No. 013833

For DSP & Associates
Chartered Accountants
FRN: 006791N

(Sanjay Jain)
Partner
M. No. 084906

For Lodha & Co.
Chartered Accountants
FRN: 301051E

(R.P. Singh)
Partner
M. No. 052438

Place : Faridabad
Date : 27th June, 2020

Annexure-XIII

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, 2020

The preparation of financial statements of NHPC Limited for the year ended 31 March, 2020 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) of the Act are 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 27 June, 2020.

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, 2020 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 auditors 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 auditors' 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 18, 2020

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, 2020

The preparation of consolidated financial statements of NHPC Limited for the year ended 31 March, 2020 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 are 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 27 June, 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of NHPC Limited for the year ended 31 March, 2020 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statement of NHPC Limited and NHDC Limited, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in **Annexure-I** for the year ended on that date. 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 auditors 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 auditors' 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 18, 2020

Annexure - I

List of subsidiaries, associate companies and jointly controlled entities whose financial statements were not audited by the Comptroller and Auditor General of India.

<u>Subsidiaries</u>

1. Loktak Downstream Hydroelectric Company Limited
2. Lanco Teesta Hydro Power Limited
3. Bundelkhand Saur Urja Limited

NOTES

NOTES

2000 MW Subansiri Lower Project (Arunachal Pradesh/ Assam) - Dam under construction

800 MW Parbati-II Project (Himachal Pradesh) - Surface Power House

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150 YEARS OF CELEBRATING THE MAHATMA

एनएचपीसी NHPC

CIN L40101HR1975GOI032564

एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)

NHPC Limited
(A Government of India Enterprise)

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