

NHPC Limited

CIN: L40101HR1975GOI032564

Regd. Office: NHPC Office Complex Sector- 33 Faridabad

Haryana-121003 India

Tel. no.: 0129-2588110/2588500 Fax: 0129-2277941

Email: sbd-co@nhpc.nic.in Website: www.nhpcindia.com

NOTICE FOR COVVENING A MEETING OF THE SECURED CREDITORS OF NHPC LIMITED AS PER THE DIRECTION OF MINISTRY OF CORPORATE AFFAIRS

MEETING	
Day	Friday
Date	September 29, 2023
Time	2:30 P.M. (IST)
Mode of Meeting/Venue	Through Video-Conferencing (VC)/Other Audio Visual Means (OAVM)

REMOTE E-VOTING	
Commencing on	September 26, 2023, Tuesday, 9:00 A.M. (IST)
Ending on	September 28, 2023, Thursday, 5:00 P.M. (IST)

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Sd/-

Mohammad Afzal

Joint Secretary (Hydro)

Ministry of Power

Chairperson appointed for the Meeting

Date: August 24, 2023

Place: New Delhi

Form CAA2

[Pursuant to Section 230(3) and Rule 6 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016]

**BEFORE THE MINISTRY OF CORPORATE AFFAIRS, NEW DELHI
COMPANY APPLICATION NO. CL-III 24/6/2022**

AND

IN THE MATTER OF SECTIONS 230-232 OF THE COMPANIES ACT, 2013

AND

**IN THE MATTER OF THE SCHEME OF AMALGAMATION BETWEEN
LANCO TEESTA HYDRO POWER LIMITED WITH NHPC LIMITED**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

LANCO TEESTA HYDRO POWER LIMITED

..... APPLICANT TRANSFEROR COMPANY

AND

NHPC LIMITED

..... APPLICANT TRANSFEREE COMPANY

**NOTICE FOR CONVENING MEETING OF THE SECURED CREDITORS OF NHPC LIMITED,
THE TRANSFEREE COMPANY**

To,

The Secured Creditors of NHPC Limited ("Applicant No. 2" / "Transferee Company") (whose debt is of a value more than ₹ 1 Crore as on 15th July 2022)

NOTICE is hereby given that by an order dated 23rd February, 2023 ("MCA Order") in Company Scheme Application No.CL-III 24/6/2022, the Government of India, through the Ministry of Corporate Affairs ("Learned Authority") has directed inter alia to convene separate meetings of Equity Shareholders of NHPC Limited ("Transferee Company" / "NHPC Limited") and its Secured and Unsecured Creditors whose debt is of value more than Rs. 1 Crore as on 15th July 2022, for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of amalgamation of Transferor Company with the Transferee Company and their respective shareholders and creditors ("Scheme") under the provisions of section 230 to 232 and any other applicable provisions of the Companies Act, 2013 ("Act"). The Transferor Company and the Transferee Company are hereinafter collectively also referred to as 'Applicant Companies'. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

TAKE NOTICE THAT pursuant to the said MCA Order and as directed therein, the meeting of the Secured Creditors (whose debt is of a value more than ₹ 1 Crore as on 15th July, 2022) of the Company ("Meeting") will be held through video conferencing ("VC") / other audio visual means ("OAVM"), on **Friday, September 29, 2023 at 2:30 P.M. (IST)** to consider, and if thought fit, pass, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) and (6) read with Section 232(1) of the Act as amended:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and related circulars and notifications thereto as applicable under the Companies Act, 2013 (including any statutory modification

or re-enactment or amendment thereof), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the relevant provisions of any other applicable laws and the clauses of the Memorandum and Articles of Association of NHPC Limited and subject to the approval by the requisite majority of the equity shareholders of NHPC Limited, and subsequent approval of the Government of India, through the Ministry of Corporate Affairs ("Learned Authority") and subject to such other consents, approvals, permissions and sanctions being obtained from appropriate authorities to the extent applicable or necessary and subject to such conditions and modifications as may be prescribed or imposed by the Learned Authority or by any regulatory or other authorities, while granting such consents, approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), approval of the Secured Creditors be and are hereby accorded to the Scheme of amalgamation between Lanco Teesta Hydro Power Limited (Transferor Company) and NHPC Limited (Transferee Company), and their respective members and creditors ("Scheme") as enclosed with the notice of the meeting of Secured Creditors.

RESOLVED FURTHER THAT Chairman & Managing Director, Director (Finance), Director (Projects) and/or Shri Suresh Kumar, GM (Electrical), SBD & C Division of the Transferee Company, severally and jointly be and are hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the MCA and/or any other authority(ies) while sanctioning the Scheme of Amalgamation or by any authority(ies) under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme of Amalgamation, as such aforesaid person may deem fit and proper without being required to seek any further approval of the Creditors or otherwise to the end and intent that the Creditors shall be deemed to have given their approval thereto expressly by the authority of this resolution."

In compliance with the MCA Order and the provisions of

- (a) Section 230(4) read with Section 108 of the Act and the rules made thereunder.
- (b) Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
- (c) Secretarial Standards – 2 issued by the Institute of Company Secretaries of India,

The Transferee Company has provided the facility of remote e-voting and e-voting during the Meeting, and participation in the Meeting through VC/ OAVM, so as to enable the secured creditors to consider and approve the Scheme by way of the aforesaid resolution.

It is further informed that National Securities Depository Limited ("NSDL") shall be providing the facility of remote e-voting, e-voting during the Meeting. Remote e-voting shall be open during the period commencing on **Tuesday, September 26, 2023 at 9:00 A.M. (IST) and ending on Thursday, September 28, 2023 at 5:00 P.M. (IST) (both days inclusive)**.

Pursuant to MCA Order, the voting rights of secured creditors shall be in proportion to the principal amount due to them as on **15th July 2022, being the cut-off date ("Cut-off Date")**. The secured creditors are requested to read the instructions for Remote e-voting and e-voting during the meeting in the Notes below carefully.

A copy of the Scheme, the Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, are enclosed herewith. A copy of this Notice and the accompanying documents will be placed on the website of the Company viz. www.nhpcindia.com and will also be available on the website of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively and also on the website of NSDL at www.evoting.nsdl.com

Copies of this Notice which include Scheme and Explanatory Statement under Section 230, 232 and 102 of the Companies Act, 2013 can be obtained free of charge on any day (except Saturday & Sunday) from the Registered Office of the Transferee Company and/or from the office of the Advocate, Lexstone Law Offices at 201 & 212, 2nd Floor, Mercantile House, 15 K.G. Marg, New Delhi-110001 during the business hours.

MCA has appointed Shri Mohammed Afzal, Joint Secretary (Hydro), Ministry of Power, Govt. of India to act as the Chairperson of the said Meeting including any adjournment thereof.

The Scheme of Amalgamation and Arrangement, if approved at the Meeting, will be subject to the subsequent approval of the MCA and any other approvals as may be required.

The voting results of the meeting shall be announced by the Chairperson within two working days of the conclusion of the Meeting upon receipt of Scrutinizer's report and the same shall be displayed on the website of the Company at www.nhpcindia.com and on the website of NSDL, being the agency appointed by the Company to provide the voting facility to the secured creditors, as aforesaid, as well as on the notice board of the Amalgamated Company at its Registered Office besides being notified to NSE and BSE, the stock exchanges, where shares of the Transferee Company are listed.

In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered approved by the secured creditors only if the Scheme is approved by majority of persons representing three-fourth in value of the secured creditors, of the Transferee Company, voting during the meeting or by remote e-voting.

Sd/-

Mohammad Afzal

Joint Secretary (Hydro)

Ministry of Power

Chairperson appointed for the Meeting

Date: August 24, 2023

Place: New Delhi

Registered Office:

NHPC Office Complex Sector- 33

Faridabad Haryana-121003 India

Website: www.nhpcindia.com

Email: sbd-co@nhpc.nic.in

CIN: L40101HR1975GOI032564

NOTES

1. The Ministry of Corporate Affairs ("MCA") vide its circular dated December 28, 2022 read together with circulars dated April 8, 2020, April 13, 2020, and May 5, 2020 as amended thereafter (hereinafter collectively referred to as "the MCA Circulars") and MCA Order dated 23rd February, 2023 has permitted to convene and hold the meetings of Shareholders, unsecured creditors and secured creditors through VC/ OAVM means. Accordingly, pursuant to MCA Circulars and SEBI Circulars, and in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the MCA Order, this Meeting is being held through VC/ OAVM without physical presence of the creditors at a common venue, as per applicable procedures mentioned in the MCA Circulars, for the purpose of considering, and if thought fit, approving, the Scheme of Amalgamation under the provisions of sections 230 to 232 of the Companies Act, 2013 and rules made thereunder. The Registered office of the Company shall be deemed to be the venue of the meeting.
2. Explanatory Statement under sections 230, 232 and 102 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 to the Notice, is annexed hereto and forms part of the Notice.
3. In compliance of MCA Circulars and MCA Order dated 23rd February, 2023, Notice for convening a meeting of the Secured-Creditors of NHPC Limited as per the direction of Ministry of Corporate Affairs is being sent only through electronic mode to those Creditors whose email addresses are registered with Company/RTA/Depository Participants as on Friday, July 15, 2022 i.e. cut off date as decided by MCA. Creditors may note that notice of equity

shareholders, secured and unsecured creditors is also available on the Company's website www.nhpcindia.com, websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of e-voting service provider i.e. National Securities Depository Limited at www.evoting.nsdl.com.

4. National Securities Depository Limited (NSDL) is appointed to provide the facility for convening the meeting through VC/OAVM and to provide Remote e-voting and e-voting facility during the meeting.
5. Secured Creditors will be able to attend the Meeting on Friday, September 29, 2023 at 2:30 P.M. IST through VC/OAVM or view the live webcast by logging on to the e-voting website of NSDL at www.evoting.nsdl.com by using their e-voting login credentials.
6. Voting rights shall be reckoned on the basis of the proportion of the principal amount due to Secured Creditors as on 15TH July, 2022 being the cut-off date ("Cut-off Date").
7. In compliance with the MCA Order, the attendance of the Secured Creditors participating through VC/ OAVM shall be counted for the purpose of reckoning the quorum.
8. In terms of the directions contained in the Order, "the quorum of the meeting shall be one third of share in value, present in meeting through VC/OAVM. In case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by half an hour (i.e., 30 minutes) and thereafter, the persons present shall be deemed to constitute the quorum, however, the requirement of Section 230(6) of the Act shall be complied with regard to the agreement to the scheme by majority of persons representing 75% in value.
9. Institutional/ Corporate Secured Creditors (i.e. other than individuals/HUF, NRI, etc) of Amalgamated Company are entitled to appoint an authorized representative for the purpose of participating and / or voting during the Meeting held through VC. Further, such Institutional/ Corporate Secured Creditors (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned certified copy (.pdf file) of the relevant resolution/ authority letter / power of attorney together with attested specimen signature of the duly authorized representatives who are authorized to vote, to the Scrutinizer at aka_pcs@yahoo.com from their registered email address with a copy marked to sbd-co@nhpc.nic.in, no later than 48 hours before the scheduled time of the Meeting.
10. The authorized representative of the Secured Creditor (in case such Secured Creditor is a corporate member) should additionally e-mail copy of their valid and legible identity proof (.pdf file) issued by a statutory authority (i.e. PAN Card / Aadhaar Card / Passport / Driving License / Voter ID Card) to the Scrutinizer at aka_pcs@yahoo.com from their registered email address with a copy marked sbd-co@nhpc.nic.in no later than 48 hours before the scheduled time of the Meeting.
11. Mr. Amit Kaushal from M/s A. Kaushal & Associate, Practicing Company Secretary has been appointed by the Company, as the Scrutinizer to scrutinize the votes cast through Remote e-voting and e-voting during the Meeting.
12. The Scrutinizer's decision on the validity of Remote e-voting /e-voting during the meeting will be final. The Scrutinizer appointed for voting process will submit his report to the Chairman of the meeting upon completion of scrutiny, in a fair and transparent manner. The Chairperson shall announce the results of voting within 2 working days from the date of conclusion of the meeting and the results shall be placed on the website of Company, e-voting website of NSDL and at the Registered Office of the Company. The Resolution, if approved by the requisite majority, shall be deemed to have been passed on September 29, 2023.
13. The relevant documents referred in the Notice and the Explanatory Statement are open for inspection by the Secured Creditors electronically up to the conclusion of the Meeting and physically at the Registered Office of the NHPC Limited on all working days, except Saturdays and Sundays, between 11:00 A.M. IST to 1:00 P.M. IST up to one day before the date of the Meeting. Those Secured Creditors who wish to inspect such documents electronically may write an e-mail to sbd-co@nhpc.nic.in.

14. Secured Creditors who would like to express their views at the Meeting may register themselves as a speaker by sending their request from their registered email id mentioning their name, address and PAN at sbd-co@nhpc.nic.in by 3 days Prior to Meeting. The Secured Creditors who do not wish to speak during the Meeting but have queries may send their queries from their registered email id mentioning their name, address and PAN at sbd-co@nhpc.nic.in. These queries will be replied by the Company suitably by email. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as may be appropriate for smooth conduct of the Meeting.
15. This Notice is being sent to the Secured Creditors by electronic mode to those whose e-mail address are registered with the Company. However, in case a Secured Creditor wishes to receive a physical copy of the Notice, he/she is requested to send an e-mail from their registered email ID to sbd-co@nhpc.nic.in by duly quoting his/her name, address and PAN.
16. In compliance with the MCA Order, the Notice is being sent to all the Secured Creditors of the Transferee Company whose debt is of value more than Rs.1 Crore as on 15th July 2022, **i.e. cut-off date** for dispatch of Notice. This Notice of the Meeting is also displayed / posted on the website of the Transferee Company at www.nhpcindia.com, SEBI website (www.sebi.gov.in), Stock Exchanges' website (www.bseindia.com and www.nseindia.com) and on the website of NSDL during the voting at www.evoting.nsdl.com.
17. Secured creditor will be assigned a Unique ID number ("Unique ID/ User ID") and Password which will be communicated via e-mail along with this Notice at their registered e-mail address.
18. The Instructions to attend for remote e-voting are as under:-
 - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
 - Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member / Creditor' section.
 - A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
 - Your Login id and password details casting your vote electronically and for attending the Meeting of Creditors through VC/ OAVM are attached in the pdf file enclosed herewith. Please note that the password to open the pdf file is the unique id mentioned above.
 - For the first time the system will ask to reset your password.
 - After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-Voting will open.
 - You will be able to see the EVEN no. of the company.
 - Click on "EVEN" of company to cast your vote.
 - Now you are ready for e-Voting as the Voting page opens.
 - Cast your vote by selecting appropriate options i.e. assent or dissent, and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - Once you confirm your vote on the resolution, you will not be allowed to modify your vote
 - If you face any problems/experience any difficulty or If you forgot your password please feel free to contact at 022 - 4886 7000 and 022 - 2499 7000 or contact on email id evoting@nsdl.co.in.

19. THE INSTRUCTIONS FOR SECURED CREDITORS FOR E-VOTING ON THE DAY OF THE MEETING ARE AS UNDER:

- The procedure for e-Voting on the day of the Secured Creditor Meeting is same as the instructions mentioned above for remote e-voting.
- Only those Creditors , who will be present in the Secured Creditors meeting through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Secured Creditors Meeting.

EXPLANATORY STATEMENT UNDER SECTIONS 230 AND 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("ACT") AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE MEETING OF SECURED CREDITORS OF NHPC LIMITED CONVENED PURSUANT TO ORDER OF THE HON'BLE MINISTRY OF CORPORATE AFFAIRS ("MCA") DATED 23.02.2023 ("MCA ORDER")

1. Details of the Transferor Company:

a. General Information of the Transferor Company:

Corporate Identification Number (CIN)	U40109TG2000GOI034758
Permanent Account Number (PAN)	AAACL7122M
Name of the Company;	Lanco Teesta Hydro Power Limited
Date of incorporation	26 th June, 2000
type of the company	Public Company
Registered office address and e-mail address	1-7-37/1,NMDC Quarters, Quarters No. Type IV-1, Opp. Ramanthapur Church, Street No.8 Ramanthapur Hyderabad TG 500013 Email: tarunahuja@nhpc.nic.in
Corporate Office Address	Finance Wing, Teesta-VI HE Project Balutar, Singtam, East Sikkim 737134

b. Summary of main object as per the memorandum of association; and main business carried on by the company;

1. To carry on anywhere in India or elsewhere, whether on its own or by entering into agreements, collaborations, and/or contracts with any individual, company, Government Body all or any of the business of acquiring, setting up, constructing, running , operating; maintaining, manufacturing, designing, supplying and servicing of, all kinds of, such as, thermal, solar, wind, hydro, tidal, geothermal, biological, nuclear power plants, co-generation power plants, energy conservation projects, power houses, transmission and distribution systems for generation, distribution, transmission, and supply of electrical energy including purchase and sale of electric power.
2. To promote, own, acquire, erect, construct, establish, maintain, improve, manage, alter, carry on, control, take on hire/ lease power plants, co- generation power plants,Energy conservation projects, power houses, transmission and distribution systems for generation, distribution, transmission and supply of electrical energy and buy, sell, supply, exchange, market, function, as a licensee and deal in purchase and sale of electrical power, energy to industrial units and other consumers for industrial, commercial, agricultural, house hold and any other purpose in India and elsewhere in any area to be specified by the State Government, Central Government , Local Authority, State Electricity Boards and any other competent authority in accordance with the provisions of the Indian Electricity Act, 1910 and / or Electricity (Supply) Act, 1948 or any other statute of any state provision of India or any statutory modifications or reenactment thereof and rules made there under.

3. To carry on anywhere in India or abroad, the business of locating, establishing, constructing, refurbishing, renovating reconditioning old power plants of all kinds, laying equipping, operating, using, managing and maintaining power stations, transformers, switching, conversion, transmission and distribution facilities, electric wires, cables, overhead lines, substation and switching stations.
 4. To engage in the business of consultancy services, anywhere in India or abroad by providing, inter-alia, drawings, designs, charts, specifications, estimates, tenders, programs, conduct feasibility studies and to act as advisers, consultants, retainers trainers in all capacities and all matters and problems relating to engineering, technical management, marketing, manufacturing and processing systems, personnel operational procedures and techniques relating to the power industries.
 5. To carry on the business of acquiring, leasing, prospecting, exploring, mining, refining, washing, extracting, manufacturing, producing importing, exporting, buying, selling, and to act as agent, franchisee or otherwise deal in; the energy resources such as coal, oil, natural gas, Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG), methane, petroleum; and the minerals and metals such as lime stone, iron ore, bauxite; and all their by-products and extracts and the storage, transport, handling and distribution of all the aforesaid.
- c. The registered office of the Transferor Company was changed from the state of Andhra Pradesh to Telangana pursuant to The Andhra Pradesh Reorganisation Act, 2014. Presently, the registered office of the Transferor Company is situated at 1-7-37/1, NMDC Quarters, Quarters No. Type IV-1, Opp. Ramanthapur Church, Street No.8 Ramanthapur Hyderabad- 500013.
 - d. The equity shares of Transferor Company are not listed on any stock exchange.
 - e. Details of the capital structure of the company including authorized, issued, subscribed and paid-up share capital of the transferor Company are as follows:

Share Capital	Amount (in ₹)
Authorized capital 250,00,00,000 Equity Shares of ₹ 10 each	2500,00,00,000
Total	2500,00,00,000
Issued, Subscribed & Paid-up capital 1,72,44,10,000 Equity Shares of ₹ 10 each	17,24,41,00,000
Total	17,24,41,00,000

The entire paid-up Capital of the Transferor Company is held by NHPC Limited and its nominees.

- f. Name of the promoters and directors along with their addresses are as follows:

Name of Promoter	Address
NHPC Limited	NHPC Office Complex Sector- 33 Faridabad Haryana 121003

Name of Directors	DIN	Designation	Address
Dr. Kamla Fartyal	08578908	Director	Flat No. 806, Urja Vihar Apartment, Sector-45, Faridabad,121010
Shri Biswajit Basu	09003080	Nominee Director	Subansiri Bhawan, NHPC Residential Colony, Sector-41, Surajkund Road, Faridabad, Haryana-121010
Shri Milind Ganesh Gokhale	09192939	Nominee Director	B-202, Jal Vihar Welfare Society, Sector-77, Faridabad, Haryana-121004

Shri Satyendra Nath Upadhyay	09260778	Nominee Director	Flat No. 405, Urja Vihar Co-operative Housing Society, Plot No. GH-9, Sector-45, Faridabad, Haryana-121001
Shri Ashok Kumar Nauriyal	09451983	Nominee Director	406, Saraswati Apartments, Sector-46, Faridabad, Haryana-121010

- g. The Transferor Company is a Wholly Owned Subsidiary of the Transferee Company i.e., NHPC Limited. The Transferor Company became a wholly owned subsidiary Company of the Transferee Company with effect from 09th October 2019 pursuant to resolution plan duly approved by Hon'ble National Company Law Tribunal (NCLT), Hyderabad vide order dated 26th July 2019 under the provisions of The Insolvency & Bankruptcy Code (IBC), 2016. Thus, become a wholly owned subsidiary and a Government Company as per Section 2 (45) of the Companies Act, 2013 thereafter.
- h. The Board of the Transferor Company has approved the Scheme of Amalgamation with NHPC Limited on 2nd September 2021 and following directors were present in the aforesaid Board Meeting

Name of Director	Voted (Favor/ Against/ Abstained)
Shri Biswajit Basu	Favour
Shri Vinod Kumar Maini	
Dr. Kamla Fartyal	
Shri Milind Ganesh Gokhale	
Shri Satyendra Nath Upadhyay	

- i. Brief details of the scheme of compromise or arrangement and proposed terms of the Scheme
- a. The proposed Scheme of Amalgamation is proposed between Lanco Teesta Hydro Power Limited as Transferor Company with NHPC Limited as Transferee Company. The proposed Scheme of amalgamation provides for the Business Combination of transferor Company with Transferee Company.
- b. The salient features of the scheme are as under:
- "Appointed Date" means 1st April 2022, or such other date as may be proposed and approved by the MCA
 - "Effective Date": means the date on which the certified copies of the Order(s) of the MCA, vesting the assets, properties, liabilities, rights, duties, obligation, and the likes thereof, of the Transferor Company, in the Transferee Company are filed with the Registrar of Company, after obtaining the necessary consents, approvals, permission, resolutions, agreement, sanction and order in this regard.
 - The Scheme provides for amalgamation of Transferor Company with the Transferee Company, and transfer of the undertaking of the Transferor Company into the Transferee Company.
 - The Transferor Company is wholly owned subsidiary of the Transferee Company and, therefore, there shall be no issue of shares as consideration for the amalgamation of the Transferor Company with the Transferee Company, therefore the valuation report is not applicable.
- c. The Scheme inter alia provides for:
- o cancellation of the equity shares held by the Transferee Company and its nominees in the Transferor Company on the Appointed Date.
 - o dissolution of the Transferor Company without winding-up.
 - o amendment of Clause V of the Memorandum of Association and Article 5 of Articles of Association of the Transferee Company i.e., Change in Authorized share capital of the Transferee Company by transfer of the authorized share capital of the Transferor Company to the Transferee Company and consequential increase in the authorized share capital of the Transferee Company.

j. Rationale and benefits for the compromise or arrangement

To facilitate focused management and efficient utilisation of surplus assets and resources of the Transferor Company, and to bring cost and administrative benefits, it has been decided by the Board of Directors of the Transferor Company and the Transferee Company that it would be in the interest of each of the Companies and their respective stakeholders to take appropriate steps to effect Amalgamation of the Transferor Company into and with the Transferee Company. The Scheme would benefit the respective company and their shareholders and creditors on account of the following reasons:

1. Transferor Company is a wholly owned subsidiary of the Transferee Company. Consolidation of the Transferor Company and the Transferee Company by way of Amalgamation would result in more efficient utilization of capital and create a consolidated base for future growth of the Transferee Company;
2. With a view to facilitate focused management and efficient utilization of assets and resources of the Transferor Company, it is considered desirable to amalgamate the Transferor Company with the Transferee Company;
3. Consolidation of entities will enable most optimum reflection of the combined resources. This will also result in greater transparency and greater accountability to the shareholders.
4. Consolidation of entities will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the both the Companies and avoid duplication of administrative functions and eliminate multiple record-keeping.
5. Due to aforesaid reasons, it is considered desirable and expedient to amalgamate Transferor Company with Transferee Company in accordance with this Scheme, pursuant to Section 230-232 and other relevant provision of Companies Act 2013, and the Companies (Compromises, Arrangements and Amalgamations) Rules 2016 made thereunder.

In addition to above, the proposed amalgamation will also have following benefits:

- Synergy of operation.
- Reduction in overhead expenditure.
- Effective Administrative & management control.
- Reduced cost of borrowing.
- Operational efficiencies.

k. As on cut-off date i.e., 15th July 2022, the transferor Company has an outstanding amount of ₹ 19.53 Crores of Unsecured Creditors

l. Effect of Scheme on Stakeholders:

- (a) Effect on interest of Directors, Promoters, Non-Promoters and KMPs: There is no effect of the Scheme on the Directors and KMPs of the Transferor Company, however all the directors and KMPs of the Transferor Company shall cease to be Director/Officer in Transferor Company as a natural consequence of their merger into the Transferee Company. Pursuant to the Scheme, the Transferor Company will be dissolved without winding up. The Directors, KMPs holding equity shares as nominees of transferee company will also cease to be shareholders of transferor Company. There is no adverse impact of the scheme on the interest of Promoters & Non-promoters of Transferor Company.
- (b) Effect on creditors: All creditors of the Transferor Companies will become creditors of the Transferee Company, on the same terms and conditions as were applicable to the Transferor Companies, post the Scheme becomes effective.
- (c) Effect on equity shareholders: Since, Transferor Company is the wholly owned subsidiary of NHPC Limited (Transferee Company), upon the scheme coming into effect, all the equity shares of Transferor Company held by the Transferee Company (either directly or through nominees) will automatically stand cancelled.
- (d) Effect on employees: Further, all employees of the Transferor Company shall become employees of the Transferee Company, without any interruption in service, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company.

- (e) Effect on Debenture holders and Debenture Trustees: There are no Debenture holders or trustees in Transferor Company.
- (f) Effect on Deposit Holders and Deposit Trustees: There are no deposit holders in Transferor Company.
There will be no adverse effect on account of the Scheme on the aforesaid stakeholders. The Scheme is proposed to the advantage of all concerned, including the said stakeholders. Further, the report pursuant to the Provisions of Section 232(2)(c) of the Companies Act, 2013 in respect of applicant Companies is enclosed.
- m. Pursuant to the Scheme, the Transferor Company shall be amalgamated with the Transferee Company. As the Transferor Company are wholly owned subsidiaries of the Transferee Company, no shares shall be issued by the Transferee Company as consideration for the proposed Scheme and there will be no change in the shareholding pattern of the Transferee Company. Further, no assets/shares of any of the parties to the Scheme are required to be valued, in relation to the Scheme. Moreover, the Scheme does not fall within the ambit of any of the conditions mentioned in Para I(A)(4)(c) of Annexure-I of the SEBI Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ('SEBI Scheme Circular') and is exempted from the requirement for obtaining a valuation report. As valuation report is not applicable to the Scheme, there is no requirement for obtaining fairness opinion.
- n. It is submitted that there is no investigation or proceeding that are pending against the Transferor Company under the Companies Act, 2013 or under the Companies Act, 1956. However, a proceeding by Serious Fraud Investigating Office (SFIO) is being underway against the previous management of the Transferor Company and the current management enjoys protection under Section 32A of Insolvency and Bankruptcy Code, 2016 read with Order dated 26.07.2019 of Hon'ble NCLT, Hyderabad
- o. Details of the availability of the following documents for obtaining extract from or for making/obtaining copies of or for inspection by the members and creditors:

In addition to the documents annexed hereto, the copy of the following documents will be available for inspection on working days at the registered office up to the date of the meeting of Shareholders' or Creditors during the business hours of the Transferee Company:
 - (i) Copy of the order dated 23rd February, 2023 passed by Ministry of Corporate Affairs.
 - (ii) Memorandum and Articles of Association of the Transferor Company.
 - (iii) Audited Financial Statements for the financial year ended on 31st March 2023 of Transferor Company i.e., Lanco Teesta Hydro Power Limited.
 - (iv) Copy of the Scheme.
 - (v) Certificates of the Auditors of the Transferor Company confirming the accounting treatment under the Scheme.
- p. Approvals and intimations in relation to the Scheme
 - i. Subject to approval of Ministry of Corporate Affairs or any other authority as it may be necessary for implementation of such Scheme. The Transferor and Transferee Company has obtained a No Objection Certificate from the administrative Ministry i.e., Ministry of Power for the merger process.
 - ii. Since the equity shares of the Transferee Company are listed on the National Stock Exchange of India Limited and the BSE Limited, therefore, pursuant to Regulation 37(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, as amended vide SEBI circular dated 3rd January, 2018, the requirement of obtaining prior approval or no objection / observation letter of the stock exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company has been relaxed. The Transferee Company has made relevant disclosures in relation to the Scheme with the NSE and BSE. A disclosure in this regard was made by the Transferee Company on 8th December 2021 to both NSE and BSE. Copy of the Intimations submitted to National Stock Exchange of India Limited and BSE Limited are enclosed.

2. Details of the Transferee Company:

a. General Information of the Company:

Corporate Identification Number (CIN)	L40101HR1975GOI032564
Permanent Account Number (PAN)	AAACN0149C
Name of the Company;	NHPC Limited
Date of Incorporation	7 th November, 1975
Type of the company	Public Company
Registered office address and e-mail address	NHPC Office Complex Sector- 33 Faridabad Haryana- 121003 Email: companysecretary@nhpc.nic.in.

b. Summary of main object as per the memorandum of association; and main business carried on by the company are as follows:

1. To Plan, promote and organise an integrated and efficient development of power in all its aspects through Conventional and Non-Conventional Sources in India and Abroad , including planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance of power stations and projects, transmission, distribution, trading and sale of power generated at Stations in accordance with the national economic policy and objectives laid down by the Central Government from time to time and release of water and other needs to the State Govt. as per the agreed parameters.
 2. To undertake, where necessary, the construction of inter-state transmission lines and ancillary works for timely and coordinated inter-state exchange of power.
 3. To coordinate the activities of its subsidiaries, to determine their economic and financial objectives / targets and to review, control, guide and direct their performance with a view to secure optimum utilisation of all resources placed at their disposal.
 4. To act as an agent of Government / Public Sector financial institutions, to exercise all the rights and powers exercisable at any meeting of any Company engaged in the planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation, maintenance of Power Stations and Projects, transmission, distribution, trading and sale of power in respect of any shares held by the Government, Public financial institutions, nationalised banks, nationalised insurance companies with a view to secure the most effective utilisation of the financial investments and loans in such companies and the most efficient development of the concerned industries.
 5. To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance of Power Stations and Projects, transmission, distribution and sale of Power, Power Development, including forward, backward or horizontal integration ancillary and other allied industries and for that purpose to install, operate and manage all necessary plants, establishments and works.
- c. The registered office of the Transferee Company is situated at NHPC Office Complex, Sector- 33, Faridabad Haryana- 121003 and there has been no change in the registered office address for the last 5 years.
- d. The Equity Shares and Other Securities of the Transferee Company are listed on National Stock Exchange of India Limited (**NSE**) & BSE Limited (**BSE**).

- e. Details of the capital structure of the company including authorized, issued, subscribed and paid-up share capital of the transferee Company is as follows:

Share Capital	Amount (in ₹)
Authorized capital 15,00,00,00,000 Equity Shares of ₹ 10 each	1,50,00,00,00,000
Total	1,50,00,00,00,000
Issued, Subscribed & Paid-up capital 10,04,50,34,805 Equity Shares of ₹ 10 each	1,00,45,03,48,050
Total	1,00,45,03,48,050

The shareholding pattern as on 30th September, 2022 was as follows:

Shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares
(A) Promoter & Promoter Group	1	7,12,67,72,676	7,12,67,72,676	70.95
(B) Public	8,37,969	2,91,82,62,129	2,91,82,62,129	29.05
(C1) Shares underlying DRs				0.00
(C2) Shares held by Employee Trust				0.00
(C) Non-Promoter-Non-Public				0.00
Grand Total	8,37,970	10,04,50,34,805	10,04,50,34,805	100.00

- f. Name of the promoters and directors (as on 31.03.2023) along with their addresses are as follows:

Name of Promoter	Address
President of India through Ministry of Power	Shram Shakti Bhawan 5, Rafi Marg, Sansad Marg Area, New Delhi-110001

Name of Directors (Shri/ Smt)	DIN	Designation	Address
Rajeev Kumar Vishnoi	08534217	Chairman & Managing Director	Bungalow No. 1, THDC Colony, Rishikesh, Uttarakhand-249 201
Yamuna Kumar Chaubey	08492346	Whole-time Director (Director(Technical))	L-89, Jal Vidyut Apartment, Sec 21 C, Faridabad-121001
Rajendra Prasad Goyal	08645380	Whole-time Director (Director(Finance))	Flat No. 201, Parwana Apartments, GH-08, SEC-21D - Faridabad-121001
Biswajit Basu	09003080	Whole-time Director (Director (Projects))	Subansiri Bhawan, NHPC Residential Colony, Surajkund Road, Sector- 41, Faridabad - 121010
Mohammad Afzal	09762315	Nominee Director (Govt. Nominee Director)	MS-102, Central Govt. Officers Apartment, Chanakyapuri, New Delhi - 110 021

Uday Saktharam Nirgudkar	07592413	Director (Independent Director)	17 & 18, Pasaydan CHS, Sant Dyaneshwar Path, Panchpakhadi, Thane (W) 400602
Amit Kansal	07722428	Director (Independent Director)	Kansal's Residency, W. No. 09, Peer Bana Banoi Road, Sunam, Punjab 148028
Rashmi Sharma Rawal	09410683	Director (Independent Director)	Pragati Rashmi, Rani Bagh Colony, Dhampur, Distt. Bijnor (U.P.) - 246 761
Jiji Joseph	09415941	Director (Independent Director)	Arenkannadil House, Nellikuzhy P.O., Kothamangalam, Ernakulam, Kerala 686691
Premkumar Goverthanam	10064794	Additional Director (Independent Director)	House No. 4/231A, MGR Salai, 6 th Street, Palavakkam, Chennai-600041

- g. The Transferee Company is a Holding Company of the Transferor Company i.e., Lanco Teesta Hydro Power Limited. The Transferor Company became a wholly owned subsidiary Company of the Transferee Company with effect from 09th October 2019 pursuant to resolution plan duly approved by Hon'ble National Company Law Tribunal (NCLT), Hyderabad vide order dated 26th July 2019 under the provisions of The Insolvency & Bankruptcy Code (IBC), 2016. Thus, become a wholly owned subsidiary and a Government Company as per Section 2 (45) of the Companies Act, 2013 thereafter.
- h. The Board of the Transferee Company has approved the Scheme of Amalgamation on 7th December 2021 and following directors were present in the aforesaid Board Meeting

Name of Director	Voted (Favor/ Against/ Abstained)
Shri Abhay Kumar Singh, CMD	Favor
Shri Yamuna Kumar Chaubey, Director (Technical)	
Shri Rajendra Prasad Goyal, Director (Finance)	
Shri Biswajit Basu, Director (Projects)	
Shri Raghuraj Madhav Rajendran, Govt. Nominee Director	
Dr. Uday Saktharam Nirgudkar, Independent Director	
Dr. Amit Kansal, Independent Director	
Dr. Rashmi Sharma Rawal, Independent Director	
Shri Jiji Joseph, Independent Director	

- i. Brief details of the scheme of compromise or arrangement and proposed terms of the Scheme

The proposed Scheme of Amalgamation is proposed between Lanco Teesta Hydro Power Limited as Transferor Company with NHPC Limited as Transferee Company. The proposed Scheme of amalgamation provides for the Business Combination of transferor Company with Transferee Company.

The salient features of the scheme are as under:

- "Appointed Date" means 1st April 2022, or such other date as may be proposed and approved by the MCA
- "Effective Date": means the date on which the certified copies of the Order(s) of the MCA, vesting the assets, properties, liabilities, rights, duties, obligation, and the likes thereof, of the Transferor Company, in the Transferee Company are filed with the Registrar of Companies, after obtaining the necessary consents, approvals, permission, resolutions, agreement, sanction and order in this regard.
- The Scheme provides for amalgamation of Transferor Company with the Transferee Company, and transfer of the undertaking of the Transferor Company into the Transferee Company.

- The Transferor Company is wholly owned subsidiary of the Transferee Company and, therefore, there shall be no issue of shares as consideration for the amalgamation of the Transferor Company with the Transferee Company, therefore the valuation report is not applicable.

The Scheme inter alia provides for:

- o cancellation of the equity shares held by the Transferee Company and its nominees in the Transferor Company on the Appointed Date.
- o dissolution of the Transferor Company without winding-up.
- o amendment of Clause V of the Memorandum of Association and Article 5 of Articles of Association of the Transferee Company i.e., Change in Authorized share capital of the Transferee Company by transfer of the authorized share capital of the Transferor Company to the Transferee Company and consequential increase in the authorized share capital of the Transferee Company.

j. Rationale and benefits for the compromise or arrangement

To facilitate focused management and efficient utilisation of surplus assets and resources of the Transferor Company, and to bring cost and administrative benefits, it has been decided by the Board of Directors of the Transferor Company and the Transferee Company that it would be in the interest of each of the Companies and their respective stakeholders to take appropriate steps to effect Amalgamation of the Transferor Company into and with the Transferee Company. The Scheme would benefit the respective company and their shareholders and creditors on account of the following reasons:

1. Transferor Company is a wholly owned subsidiary of the Transferee Company. Consolidation of the Transferor Company and the Transferee Company by way of Amalgamation would result in more efficient utilization of capital and create a consolidated base for future growth of the Transferee Company.
2. With a view to facilitate focused management and efficient utilization of assets and resources of the Transferor Company, it is considered desirable to amalgamate the Transferor Company with the Transferee Company.
3. Consolidation of entities will enable the most optimum reflection of the combined resources. This will also result in greater transparency and greater accountability to the shareholders.
4. Consolidation of entities will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the both the Companies and avoid duplication of administrative functions and eliminate multiple record-keeping.
5. Due to aforesaid reasons, it is considered desirable and expedient to amalgamate Transferor Company with Transferee Company in accordance with this Scheme, pursuant to Section 230-232 and other relevant provision of Companies Act 2013, and the Companies (Compromises, Arrangements and Amalgamations) Rules 2016 made thereunder.

In addition to above, the proposed amalgamation will also have following benefits:

- Synergy of operation.
- Reduction in overhead expenditure.
- Effective Administrative & management control.
- Reduced cost of borrowing.
- Operational efficiencies.

- k. As on cut-off date i.e., 15th July 2022 the transferee Company has an outstanding amount of ₹ 783.50 Crores of Unsecured Creditors

l. Effect of Scheme on Stakeholders:

- i. Effect on interest of Directors, Promoters, Non-Promoters and KMPs: There is no effect of the Scheme on the Directors and KMPs of the Transferee Company. There is no adverse impact of the scheme on the interest of Promoters & Non-promoters of Transferee Company.
- ii. Effect on creditors: The creditors of the Transferee Company will continue to be creditors of the Company on the same terms and conditions, post the Scheme becomes effective.

- iii. Effect on equity shareholders: Since, Transferor Company is the wholly owned subsidiary of NHPC Limited (Transferee Company), upon the scheme coming into effect, all the equity shares of Transferor Company held by the Transferee Company (either directly or through nominees) will automatically stand cancelled. No new shares will be issued by NHPC Limited to any person.
- iv. Effect on employees: Employees engaged in the Transferee Company will continue to be employees of the Transferee Company, on the same terms and conditions as before.
- v. Effect on Debenture holders and Debenture Trustees: Debenture holders & trustees of the Transferee Company will continue to be debenture holders and debenture trustees of the Transferee Company, respectively, on the same terms and conditions, post the Scheme becoming effective.
- vi. Effect on Deposit Holders and Deposit Trustees: The proposed scheme does not contain any arrangement with deposit holders of the transferee company.

There will be no adverse effect on account of the Scheme on the aforesaid stakeholders. The Scheme is proposed to the advantage of all concerned, including the said stakeholders. Further, the report pursuant to the Provisions of Section 232(2)(c) of the Companies Act, 2013 in respect of applicant Companies is enclosed.

- m. Pursuant to the Scheme, the Transferor Company shall be amalgamated with the Transferee Company. As the Transferor Company is wholly owned subsidiary of the Transferee Company, no shares shall be issued by the Transferee Company as consideration for the proposed Scheme and there will be no change in the shareholding pattern of the Transferee Company. Further, no assets/shares of any of the parties to the Scheme are required to be valued, in relation to the Scheme. Moreover, the Scheme does not fall within the ambit of any of the conditions mentioned in Para I(A)(4)(c) of Annexure-I of the SEBI Circular CFD/DIL3/CIR/2017/21 dated 10th March 2017 ('SEBI Scheme Circular') and is exempted from the requirement for obtaining a valuation report. As valuation report is not applicable to the Scheme, there is no requirement for obtaining fairness opinion.
- n. The affairs of the Transferee Company are not under any investigation.
- o. Details of the availability of the following documents for obtaining extract from or for making/obtaining copies of or for inspection by the members and creditors, namely:

In addition to the documents annexed hereto, the copy of the following documents will be available for inspection on working days at the registered office up to the date of the meeting of Shareholders' or Creditors during the business hours of the Transferee Company:

- (i) Copy of the order dated 23rd February, 2023 passed by Ministry of Corporate Affairs.
- (ii) Memorandum and Articles of Association of the Transferee Company.
- (iii) Audited Financial Statements for the financial year ended on 31st March 2023 of Transferee Company i.e., NHPC Limited.
- (iv) Copy of the Scheme.
- (v) Certificates of the Auditors of the Transferee Company confirming the accounting treatment under the Scheme.

- p. Approvals and intimations in relation to the Scheme

Subject to approval of Ministry of Corporate Affairs or any other authority as it may be necessary for implementation of such Scheme. The Transferor and Transferee Company has obtained a No Objection Certificate from the administrative Ministry i.e., Ministry of Power for the merger process.

**SCHEME OF AMALGAMATION
OF
LANCO TEESTA HYDRO POWER LIMITED
..... APPLICANT TRANSFEROR COMPANY
WITH
NHPC LIMITED
..... APPLICANT TRANSFEREE COMPANY
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTION 230-232 OF THE COMPANIES ACT, 2013
AND OTHER APPLICABLE PROVISIONS AND RULES
THEREUNDER**

PREAMBLE AND OBJECTIVES

This scheme (defined herein after) of Amalgamation envisages Amalgamation of **Lanco Teesta Hydro Power Limited** ("the **Transferor Company**") with NHPC Limited ("the **Transferee Company**") and other matters consequential, supplemental, incidental and/or otherwise integrally connected therewith pursuant to the provisions of Section 230-232 of the Companies Act, 2013 and other relevant provisions of the Companies Act,



Authorised Signatory

 1
Authorised Signatory


Authorised Signatory




Authorised Signatory

2013 and rules made thereunder, as notified, amended or re-enacted from time to time, as may be applicable.

The Transferor Company is wholly owned subsidiary of Transferee Company, hence, in consideration Transferee Company will not issue any shares under the Scheme of Arrangement. The existing shareholding of transferee Company in Transferor Company will get cancelled pursuant to the Scheme of Arrangement. In, addition Transferor and Transferee Company are Government Company as defined under Section 2 (45) of Companies Act, 2013.

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PART A	BACKGROUND AND DESCRIPTION OF THE COMPANIES
PART B	OBJECTS AND RATIONALE FOR THE SCHEME
PART C	CONTENTS OF THE SCHEME

PART A

BACKGROUND AND DESCRIPTION OF THE COMPANIES:



1. **Lanco Teesta Hydro Power Limited** bearing Corporate Identity Number (CIN) U40109TG2000GOI034758 and Permanent Account Number (PAN) AAACL7122M hereinafter referred to as "the Transferor Company") was incorporated under the provisions of the Companies Act, 1956 on 26th June, 2000 as a Private Limited Company with the Registrar of Companies, Hyderabad, Andhra Pradesh (now Telangana) under the name and style of "Lanco Energy Private Limited". Thereafter, the Company has changed its name to "Lanco Teesta Hydro Power Private Limited" on 29th June, 2010. Further, the Company vide shareholder's resolution dated 17th December, 2013 was converted into Public Company and accordingly, the name of the Company was changed to "Lanco Teesta Hydro Power Limited". The registered office of the Transferor Company was changed from the state of Andhra Pradesh to Telangana pursuant to The Andhra Pradesh Reorganisation Act, 2014. Presently, the registered office of the Transferor Company is situated at 1-7-37/1, NMDC Quarters, Quarters No. Type IV-1, Opp. Ramanthapur Church, Street No.8 Ramanthapur Hyderabad- 500013. The email address of the Transferor Company is tarunahuja@nhpc.nic.in.



2. The Transferor Company became a wholly owned subsidiary Company of the Transferee Company with effect from 09th October, 2019 pursuant to resolution plan duly approved by Hon'ble National Company Law Tribunal (NCLT), Hyderabad vide order dated 26th July, 2019 under the provisions of The Insolvency & Bankruptcy Code(IBC) , 2016. Thus, become a wholly owned subsidiary and a Government Company as per Section 2 (45) of the Companies Act, 2013 thereafter.
3. **NHPC LIMITED** bearing Corporate Identity Number (CIN) L40101HR1975GOI032564 and Permanent Account Number (PAN) AAACN0149C (hereinafter referred to as "the Transferee Company") was incorporated under the provisions of the Companies Act, 1956 on 07th November, 1975 as Private Limited Company with the Registrar of Companies, New Delhi under the name and style of "National Hydro Electric Power Corporation Private Limited". The word private was subsequently deleted from the name of the company on September 18, 1976. The Company was converted to a public limited company w.e.f April 2, 1986. Pursuant to Shareholders' Resolution dated 13th March, 2008, the name of the company was changed to its present name 'NHPC Limited' and a fresh certificate



of incorporation consequent upon change of name was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on March 28, 2008. The Registered office of the Transferee Company was changed from the state of Delhi to Haryana vide Shareholders' approval dated 17th June, 1994. The Equity Shares and Other Securities of the Transferee Company are listed on National Stock Exchange of India Limited (**NSE**) & BSE Limited (**BSE**). The President of India through Ministry of Power, Government of India holds 70.95 per cent of equity shares of the Transferee Company and thus, the Transferee Company becomes Government Company as defined under Section 2 (45) of the Companies Act, 2013. Presently, the registered office situated at NHPC OFFICE Complex Sector- 33 Faridabad Haryana- 121003. The email address of the Transferee Company is companysecretary@nhpc.nic.in.

PART B

OBJECTS AND RATIONALE FOR THE SCHEME

1. This Scheme of Amalgamation is presented under Section 230-232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as may be applicable,



for merger of the above-mentioned Companies. In order to facilitate focussed management and efficient utilisation of surplus assets and resources of the Transferor Company, and to bring cost and administrative benefits, it has been decided by the Board of Directors of the Transferor Company and the Transferee Company that it would be in the interest of each of the Companies and their respective stakeholders to take appropriate steps to effect Amalgamation of the Transferor Company into and with the Transferee Company. The Scheme would benefit the respective companies and their shareholders and creditors on account of the following reasons:

1.1 Transferor Company is a wholly owned subsidiary of the Transferee Company. Consolidation of the Transferor Company and the Transferee Company by way of Amalgamation would result in more efficient utilization of capital and create a consolidated base for future growth of the Transferee Company;

1.2 With a view to facilitate focused management and efficient utilization of assets and resources of the Transferor Company, it is considered desirable to amalgamate the Transferor Company with the Transferee Company;

1.3 Consolidation of entities will enable most optimum reflection of the combined resources. This will also result in



greater transparency and greater accountability to the shareholders;

1.4 Consolidation of entities will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the both the Companies and also avoid duplication of administrative functions and eliminate multiple record-keeping.

1.5 Due to aforesaid reasons, it is considered desirable and expedient to amalgamate Transferor Company with Transferee Company in accordance with this Scheme, pursuant to Section 230-232 and other relevant provision of Companies Act 2013, and the Company (Compromise and Arrangement) Rules 2016 made thereunder.

PART C

CONTENTS OF THE SCHEME

Part C is divided into following Sections:

Section I	Deals with the Definitions, Interpretations and Share Capital
Section II	Deals with the amalgamation of the Transferor Company with the Transferee Company in accordance with Section 2(1B) of the Income Tax



	Act, 1961 and Section 230-232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as may be applicable
Section III	Deals with the consideration for amalgamation of the Transferor Company with the Transferee Company
Section IV	Deals with the accounting treatment in the books of the Transferee Company
Section V	Deals with general terms and conditions applicable to the Scheme

SECTION I

(DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL)

1. For the purposes of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below: -

1.1. **“Act” or “The Act”** means the Companies Act, 2013 including any rules and regulation made thereunder and includes any statutory re-enactment or amendment(s) thereto, from time to time.



- 1.2. **“Appointed Date”** means 1st April, 2022, the date with effect from which this Scheme shall come into effect, or such other date as the Central Government (CG) or any other competent authority may direct.
- 1.3. **“Board of Directors”** in relation to the Transferor Company and/ or the Transferee Company, as the case may be, shall mean their respective Board of Directors, and unless it is repugnant to the context or otherwise, shall include committee of directors, if any constituted or appointed and authorized to take any decision for the implementation of this Scheme on behalf of such Board of Directors.
- 1.4. **“BSE”** shall mean BSE Limited.
- 1.5. **“Central Government”** means the Ministry of Corporate Affairs at New Delhi to which this Scheme of Amalgamation in its present form is submitted for sanctioning of the Scheme under Section 230-232 and other relevant provisions of the Companies Act, 2013 as may be applicable.
- 1.6. **“Effective Date”** means the date on which the certified copy of the Central Government(s) order under Section 230-232 of the Act are filed with the Registrar of Companies, NCT of Delhi and Haryana, in terms of the



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Act. All references in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“Scheme taking effect”** or other similar expressions shall mean the Effective Date.

- 1.7. **“Equity Share(s)”** means the equity shares of the Transferor or Transferee Company as the case may be,
- 1.8. **“Government Company”** means Government Company as defined under Section 2 (45) of Companies Act, 2013.
- 1.9. **“IT Act”** means the Income Tax Act, 1961 and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force.
- 1.10. **“Law” or “Applicable Law”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Board, Court of India or any other country or jurisdiction as applicable.
- 1.11. **“Listing Regulation”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendment , modification made thereunder,



- 1.12. **"MCA Notification"** means Ministry of Corporate Affairs Notification dated 13th June, 2017 in which the word "Tribunal" was substituted by the word "Central Government".
- 1.13. **"NSE"** shall mean National Stock Exchange of India Limited.
- 1.14. **"Official Liquidator" or "OL"** means Official Liquidator having jurisdiction over the Transferor and Transferee Company.
- 1.15. **"Regional Director"** means the Regional Director having jurisdiction over the Transferor and Transferee Company.
- 1.16. **"ROC" or "Registrar of Companies"** means the Registrar of Companies, the NCT of Delhi and Haryana for Transferee Company and the Registrar of Companies, Hyderabad for Transferor Company.
- 1.17. **"Rules"** means the Companies (Compromises Arrangements and Amalgamations) Rules, 2016
- 1.18. **"Scheme" or "this Scheme" or "the Scheme"** means the present Scheme of Amalgamation framed under the provisions of Section 230-232 of the Companies Act, 2013, and other applicable provisions, if any, where under the Transferor Company is proposed to be



amalgamated with the Transferee Company in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of the respective Companies and/or by Registrar of Companies (ROC)/ Official Liquidator (OL) / Central Government (CG) or by any other competent authority.

- 1.19. **"SEBI"** means Securities and Exchange Board of India.
- 1.20. **"SEBI Notification"** means Notification No SEBI/LAD/NRO/GN/2016-17/029 dated 15th February, 2017 which provides no prior approval from SEBI/ Stock Exchange in case of merger between Holding and Wholly Owned Subsidiary,
- 1.21. **"Transferor Company"** means Lanco Teesta Hydro Power Limited, as defined in Clause 1 of Part A of this Scheme.
- 1.22. **"Transferee Company"** means NHPC Limited, as defined in Clause 2 of Part A of this Scheme.
- 1.23. **"Transferor Company's Business"** shall mean the entire business of the Transferor Company, including all its assets, rights, licenses and powers, leasehold rights and all its debts, outstanding(s), liabilities, duties, obligations and employees as on the Appointed Date.



All terms and words which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other Applicable Laws (as defined above), rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. INTERPRETATIONS

In this Scheme, unless the context otherwise requires:

- 2.1 References to the singular include a reference to plural and vice-versa and reference to any gender include all other genders;
- 2.2 References to persons shall include individuals, firms, body corporates (whether incorporated or unincorporated), associations and partnerships;
- 2.3 The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- 2.4 References to a clause or paragraph or Schedule, as applicable shall be deemed to be reference to a clause or paragraph or Schedule of this Scheme;



- 2.5 Any phrase introduced by the terms "including" or "include" or "inter alia" or any similar expression shall be constructed as illustrative and shall not limit the meaning of the words preceding those terms;
- 2.6 References to dates and times shall be construed to be references to Indian dates and times;
- 2.7 References to a document include an amendment or supplement to, or replacement or novation of, that document;
- 2.8 References to the words 'hereof', 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;
- 2.9 Word(s) and expressions(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

3. SHARE CAPITAL

- 3.1 The share capital of the Transferor Company, as on 31st March, 2022 was as under:

Share Capital	Amount (in Rs.)
Authorized capital	
250,00,00,000 Equity Shares of Rs. 10 each	2500,00,00,000



Total	2500,00,00,000
Issued, Subscribed & Paid up capital	
14,40,50,000 Equity Shares of Rs. 10 each	1,44,05,00,000
Total	1,44,05,00,000

3.2 There has been no change proposed in the authorised Capital of the Transferor Company after the appointed date, However the issued, subscribed or paid up capital of the Transferor Company has increased to Rs.2500,00,00,000(Twenty Five Hundred Crores) after appointed date.

3.3 The share capital of the Transferee Company, as on 31st March 2022 was as under:

Share Capital	Amount (in Rs.)
Authorized capital	
1500,00,00,000 Equity Shares of Rs. 10/- each	15000,00,00,000
Total	15000,00,00,000
Issued, Subscribed and Paid-up capital	
1004,50,34,805 Equity Shares of Rs.	10045,03,48,050



10 each	
10045,03,48,050	10045,03,48,050

3.4 There has been no change in the issued, subscribed or paid up capital of the Transferee Company after appointed date.

SECTION II

4. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY'S BUSINESS

4.1 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting given below, with effect from the Appointed Date and upon occurrence of the Effective Date, the Transferor Company's Business shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in and managed by the Transferee Company, in accordance with the provisions of Sections 230-232 of the Act and all other applicable provisions of the Act and other Applicable Laws and in compliance with provisions of Section 2(1B) of the IT Act and without any further act, deed, instrument, matter or thing, so as to become as and from the Appointed Date, in the manner provided hereunder, the assets, properties, rights, privileges and debts, liabilities,



duties and obligations, as the case may be, of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such assets, properties, rights, privileges, debts, liabilities, duties and obligations, as the case may be, have arisen, in order to give effect to the provisions of this Clause.

4.2 Without prejudice to the generality of the above, in particular, the Transferor Company's business shall stand vested in the Transferee Company in the manner described in Clauses 4.2.1 to 4.2.15 below:

4.2.1 Upon occurrence of the Effective Date and with effect from the Appointed Date, the Transferor Company's activities and operations shall stand vested in the Transferee Company without any further deed or act, together with all their properties, assets, investments, rights, benefits and interests therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be on a going concern basis and the Transferee Company shall continue the activities and business operations of the



Transferor Company post the amalgamation.

("Activities and Operations")

4.2.2 Upon this Scheme becoming effective, the past track record of the Transferor Company including without limitation, the experience, credentials and market share shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients. **("Past Track Record")**

4.2.3 Upon occurrence of the Effective Date and with effect from the Appointed Date, all the assets, tangible or intangible of the Transferor Company as are movable or incorporeal in nature or are otherwise capable of transfer, by manual or constructive delivery and/or by endorsement and delivery, or by vesting and recordal pursuant to the scheme, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The



vesting pursuant to this clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and the title to such property shall be deemed to have transferred accordingly. All other movable properties of the Transferor Company, including sundry debtors, deferred tax assets, service tax input credits, CENVAT credits, VAT/sales tax credits, Goods and Service Tax Credits, outstanding loans and advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, quasi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of assignment or delivery of possession of the respective documents, as may be appropriate in this regard. No stamp duty or taxes are payable on the transfer of such movable properties being vested in the Transferee Company. (**"Movable Assets"**)



4.2.4 Upon occurrence of the Effective Date and with effect from the Appointed Date, all immovable properties, if any, including land together with the buildings and structures standing thereon of the Transferor Company, whether freehold or leasehold and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the immovable properties & shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title of the immovable properties shall, upon this scheme becoming effective, be made duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Central Government in



accordance with the terms hereof; (**"Immovable Assets"**)

4.2.5 Upon occurrence of the Effective Date and with effect from the Appointed Date, all cheques and other negotiable instruments, payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the Bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the Banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment after the Effective Date (**"Cheques and other negotiable instruments"**)

4.2.6 Upon occurrence of the Effective Date and with effect from the Appointed Date, all the taxes/duties, (including the tax under MAT & tax deducted at source ("TDS")), paid by the Transferor Company shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes/duties paid against its tax/ duty liabilities, notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties



are in the name of Transferor Company, as the case may be. (**"Taxes & Duties"**)

4.2.7 Upon occurrence of the Effective Date and with effect from the Appointed Date, all sundry debtors, outstanding loans and advances, investments, MAT Credits, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons of Transferor Company shall without any act, instrument or deed become the property of the Transferee Company. (**"Sundry Debts, Outstanding Loans and Advances, Investments and MAT Credit"**)

4.2.8 Upon occurrence of the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities (including any guaranties, security, surety given or extended), duties, obligations and guarantees, secured or unsecured, whether or not provided for in the books of accounts or disclosed in the balance sheet of Transferor Company shall become and be deemed to be the debts, liabilities, contingent liabilities



(including any guaranties, security, surety given or extended), duties, obligations and guarantees of the Transferee Company and undertakes to meet, discharge and satisfy the same.

4.2.9 It is hereby clarified that it shall not be necessary to obtain consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities duties and obligations have arisen in order to give effect to the provision of this paragraph. Where any of the liabilities and obligations attributed to the Transferor Company as on the Appointed Date have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company; (**"Debts, Liabilities and Contingent Liabilities"**)

4.2.10 In so far as the assets of the Transferor Company are concerned, the existing securities, mortgages, charges, encumbrances or liens (hereinafter referred to as the "Encumbrances") over the assets or any part thereof, if any, transferred to the Transferee Company in terms of this Scheme and



relating to the Liabilities of the Transferor Company, shall, after the Effective Date, without any further act or deed, continue to relate or attach to such assets or any part thereof, but such encumbrances shall not relate or attach to any of the assets and properties of the Transferee Company or any part thereof or to any of the other assets of the Transferor Company transferred to the Transferee Company pursuant to this Scheme, save to the extent warranted by the terms of any existing security arrangements to which the Transferor Company and the Transferee Company are party and consistent with the joint obligations assumed by them under such arrangements. (“**Encumbrances**”)

4.2.11 Upon occurrence of the Effective Date and with effect from the Appointed Date, all contracts, letters of intent, deeds, bonds, agreements, insurance policies, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full



force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. (**"Contracts, Letter of Intent, Deeds, Bonds etc."**)

4.2.12 Upon occurrence of the Effective Date and with effect from the Appointed Date, all permit, grants, allotment, recommendations, rights, entitlements, licenses, registrations and, Intellectual Property Rights including trademarks, tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible, shall be enforceable as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. (**"Permits, Grants, Allotment Recommendations, and Rights etc."**)

4.2.13 Upon occurrence of the Effective Date and with effect from the Appointed Date, all statutory



licenses, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, entitlements or rights required to carry on the operations of the Transferor Company or granted to Transferor Company including excise/custom/sales tax/VAT ("Value Added Tax") /Goods and Service Tax exemption/concessional rate benefits, if any, shall stand vested in the Transferee Company without further act or deed and shall be appropriately transferred or assigned by the statutory authorities concerned herewith in favour of the Transferee Company upon vesting of the Transferor Company's Business pursuant to this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company pursuant to this Scheme. **("Statutory Licenses, No-Objection Certificates, Permissions and Registrations etc.")**



4.2.14 The Transferee Company shall, at any time after the coming into effect of the Scheme in accordance with the provisions thereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferor Company to which the Transferor Company is a party, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme, be deemed to be authorized to execute any such writing on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company. **("Other Writings and Arrangements")**

4.2.15 Upon the coming into effect of the Scheme, the resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the



provisions of the Act, or any other applicable provisions, then said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company. (**"Resolutions"**)

5. STAFF, WORKMEN AND EMPLOYEES OF THE TRANSFEROR COMPANY

5.1 Upon the Scheme becoming effective, all employees of the Transferor Company, if any, shall be deemed to have become employees of the Transferee Company without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company on the Effective Date. The services of such employees with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

5.2 Upon the Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other



special schemes or benefits created or existing for the benefit of such employees of the Transferor Company shall be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Laws.

- 5.3 Subject to Applicable Laws, the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company for the employees shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company without any separate act or deed/approval and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of all such funds, schemes and benefits, in accordance with the terms provided in the respective documents pertaining to such funds, schemes and benefits. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds,



schemes and benefits shall become those of the Transferee Company. Where applicable, trustees including the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to adopt such course in this regard as may be advised, provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

6. LEGAL PROCEEDINGS

6.1 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Companies, pending on the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.

6.2 The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Companies referred to in sub-Clause 6.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued,



prosecuted and enforced by or against the Transferee Company.

6.3 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the business of the Transferor Company.

7. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

7.1 With effect from the Appointed Date and up to and including the Effective Date:

7.1.1 The Transferor Company shall carry on and be deemed to have been carrying on all its activities and operations, for and on behalf of and in trust for the Transferee Company.

7.1.2 All profits accruing or arising to the Transferor Company and all taxes thereof (including but not limited to advance tax, TDS, MAT credit, securities transaction tax, taxes withheld/paid in a foreign country, value added taxes, sales tax, service tax, Goods and Service Tax etc.) or losses arising or incurred by it shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company. The tax payments (including, without limitation income tax, service



tax, excise duty, central sales tax, applicable state value added tax, Goods and Service Tax etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Company from the Appointed Date to the Effective Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Any tax deducted at source by the Transferor Company / Transferee Company on transactions with the Transferor Company / Transferee Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.

7.1.3 The Transferor Company shall carry on its activities and operations with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not



undertake any additional financial commitments, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its respective assets, except-

- a. When the same is in the ordinary course of business as carried on by the Transferor Company; or
- b. When the same is expressly provided in the Scheme; or
- c. When written consent of the Transferee Company has been obtained in this regard.

7.2 With effect from the Effective Date, the Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Transferor Company's Business with effect from the Appointed Date, in order to give effect to the foregoing provisions.

7.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central



Government and all other agencies, departments and authorities concerned as are necessary under any Law, contract or are otherwise considered necessary, for such consents, approvals and sanctions which the Transferee Company may require to effectually own and operate the business of the Transferor Company.

8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

8.1 Subject to the other provisions of the Scheme, and pursuant to the order of the Central Government sanctioning the Scheme, upon the Scheme coming into effect, all contracts, schemes, assurances, licenses, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the



Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, in writings or confirmation or enter into any tripartite agreement, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

- 8.2 It is hereby clarified that by virtue of the provisions of the Scheme and pursuant to the order of the Central Government sanctioning the Scheme, upon the Scheme coming into effect, all rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and



all benefits to which the Transferor Company is entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and instead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.

- 8.3 Without prejudice to the above, the Transferee Company shall, if so desirable or required or become necessary, upon the coming into effect of this Scheme and with effect from the Appointed Date, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme and to the



extent that the Transferee Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company, as the case may be. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

9. TAXES, DUTIES, CESS, ETC.

9.1 Upon occurrence of the Effective Date and with effect from the Appointed Date, all taxes and duties payable by the Transferor Company (including under the Income Tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales tax laws, Central Sales Tax Act, 1956, VAT/ Service tax, Good and Service Tax and all other Applicable Laws) accruing and relating to the Transferor Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims shall, for



all purposes, be treated as taxes, advance tax payments, tax deducted at source or refunds and claims, as the case may be, of the Transferee Company.

- 9.2 With effect from the Appointed Date, all the deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS (like Section 43B, Section 40, Section 40A etc. of the IT Act) will be eligible as deduction to Transferee Company upon fulfilment of required conditions under the IT Act.
- 9.3 Upon the Scheme becoming effective, all un-availed credits and exemptions, and other statutory benefits, including in respect of income tax (including tax deducted at source, tax collected at source, advance tax, etc.), CENVAT, customs, value added tax, sales tax, service tax, Goods and Service Tax (GST), if any, etc. as at the Appointed Date to which the Transferor Company is entitled to shall be available to and vest in the Transferee Company, without any further act or deed.
- 9.4 Upon the Scheme becoming effective, all tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company shall be continued and/ or enforced by the Transferee Company. Further, the



aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the consolidation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

- 9.5 Upon the Scheme becoming effective, the Transferee Company is permitted to revise and file its income tax return, withholding tax return, including tax deducted at source certificates, sales tax/value added tax returns, service tax returns, goods and service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.
- 9.6 Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company relating to the Transferor Company pertaining to the period after the Appointed Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company.
- 9.7 All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Transferor Company with the



Transferee Company, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with the Section 35DD of the Income Tax Act, 1961 over a period of 5 years beginning with the previous year in which the Scheme becomes effective.

9.8 Any refund under the tax laws due to Transferor Company consequent to the assessments made on the Transferor Company shall belong to and be received by the Transferee Company. The relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the effectiveness of the Scheme upon relevant proof and documents being provided to the said authorities.

9.9 Subject the provision of Income Tax Act, The Transferee Company shall be allowed to carry forward business losses or unabsorbed depreciation of Transferor Company, as at the Appointed Date.

10. COMPLIANCE WITH LAWS

10.1 This Scheme is presented and drawn up to comply with the provisions / requirements of Section 230-232 of the Act for the purpose of amalgamation of the entire



business and the whole of undertaking(s), properties and liabilities of the Transferor Company with the Transferee Company.

10.2 Upon the Scheme becoming effective the Transferor Company and the Transferee Company are expressly permitted to revise their financial statements and tax returns, if required.

10.3 Filing of the certified copy of the order of the Central Government sanctioning this Scheme with the ROC shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.

10.4 Pursuant to SEBI Notification dated 15th February, 2017, the Transferee Company which has its equity shares listed on NSE & BSE is exempted from the application of Regulation 37 of Listing Regulations and therefore, No NOC or Observation letter is required from either SEBI or NSE & BSE.

10.5 Since the Scheme involved Transferor Company, a wholly owned subsidiary of Transferee Company, the requirement for valuation for determine share swap is



not applicable and there fairness opinion from a Merchant Banker or Registered Valuer is not applicable.

11. COMPLIANCE WITH PROVISIONS OF IT ACT

The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the IT Act, the provisions of Section 2(1B) of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the IT Act; such modification to not affect other terms or provisions of the Scheme.

12. INCREASE IN AUTHORISED SHARE CAPITAL

12.1 The entire authorized share capital of the Transferor Company amounting to Rs.2500,00,00,000 shall stand transferred to and combined with the authorized share capital of the Transferee Company without any further act or deed. The filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be deemed to have been so paid by the Transferee Company on the combined authorized share



capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorized share capital so increased. The approval or sanctioning of the Scheme shall be deemed to be the approval for increase in the authorized share capital of the Transferee Company under Section 61 of the Companies Act, 2013 and other applicable provisions of the Act.

12.2 Upon scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument, or deed on the part of the Transferee Company including payment of stamp duty and payment of fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company.

12.3 Upon the Scheme becoming effective, Article V of the Memorandum of Association and Clause 5 of Articles of Association of the Transferee Company relating to the authorized share capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 13, 14 & Section 61 of the Companies Act, 2013 or any other applicable provisions



of the Act, as the case may be and be replaced with the following clause:

"The Authorized Share Capital of the Company is Rs. 17500,00,00,000 (Rupees Seventeen Thousand Five Hundred Crores) divided into 1750,00,00,000 Equity Shares of Rs. 10/- each.

SECTION III

13. CONSIDERATION

13.1 The entire issued, subscribed and paid up share capital of the Transferor Company is directly held by the Transferee Company along with its nominee. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the Transferee Company's investment in the entire share capital of the Transferor Company shall stand cancelled in the books of the Transferee Company.

13.2 Upon the coming into effect of the Scheme, the share certificates, representing the shares held by the Transferee Company in the Transferor Company shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Transferee Company and shall cease to be in existence accordingly.



SECTION IV

14. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFeree COMPANY

14.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, amalgamation shall be a 'Common control business combination' as defined in Appendix C of Indian Accounting Standard (Ind AS) 103 for Business Combinations prescribed under Section 133 of the Companies Act, 2013. It would inter alia include the following:

14.1.1 All assets, liabilities and reserves of the transferor which were appearing in the consolidated financial statements of the Group immediately before the merger shall become a part of the separate financial statements of the transferee.

14.1.2 All the assets and liabilities recorded in the books of the Transferor Company shall be recorded by the Transferee Company at the respective book values as reflected in the books of the Transferor Company as on the Appointed Date.

14.1.3 Inter-company balances such as investments in the equity shares of the Transferor Company or loan and



advances held inter-se, in their respective books of accounts, if any, will stand cancelled.

14.1.4 The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Accordingly, all the reserves of the Transferor Company under different heads appearing in the consolidated financial statements immediately before the merger shall become the corresponding reserves of the Transferee Company.

14.1.5 No adjustments shall be made to reflect fair values, or recognize any new assets or liabilities. The only adjustments shall be to harmonize accounting policies of the Transferor Company with that of the Transferee Company.

SECTION V

GENERAL TERMS AND CONDITIONS

15. APPLICATION TO CENTRAL GOVERNMENT

The Transferor Company and/or the Transferee Company as the case may be shall, with all reasonable dispatch, make necessary separate/joint application(s) under Section 230-232 of the Act read with MCA Notification dated 13th June,



2017, to Central Government for sanctioning this Scheme and for such other orders as the Central Government may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto and for dissolution of the Transferor Company without winding up and other connected matters.

16. VALIDITY OF EXISTING RESOLUTIONS, ETC

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolution(s) of the Transferor Company as are considered necessary by the Board of Directors of Transferee Company which are validly subsisting be considered as resolution(s) of the Transferee Company. If any such resolution(s) have any monetary limits approved subject to the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

17.1 The Transferor Company and the Transferee Company through their respective Board of Directors may make or



assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Registrar of Companies (ROC)/Official Liquidator (OL)/ Central Government (CG) and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect, whether in pursuance of a change in Law or otherwise.

17.2 In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the



Scheme and/or any matter concerned or connected therewith.

17.3 In the event that any conditions are imposed by any competent authority or the Central Government which the Transferor Company or the Transferee Company find un-acceptable for any reason whatsoever, then the Transferor Company and/or the Transferee Company shall be entitled to withdraw the Scheme.

17.4 For the purpose of giving effect to the vesting order passed under Section 230-232 of the Act and other applicable provisions of the Act in respect of this Scheme by the Central Government, the Transferor Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the recording of the change in the legal right(s) upon the vesting of the Transferor Company's Business in accordance with the provisions of Section 230-232 of the Act and other applicable provisions of the Act. The Transferee Company shall be authorised to execute any pleadings, applications, forms etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.



18. CONDITIONALITY OF THE SCHEME

18.1 The Scheme shall be conditional upon and subject to:

18.1.1 approval by the requisite majority in number and/or value of the shareholders and/or creditors (either by way of a meeting or by no objection certificate/letter of consent), if so directed or warranted or necessitated by the Central Government (Ministry of Corporate Affairs) in this regard, for the Transferor Company and the Transferee Company.

18.1.2 Scheme being sanctioned by the Central Government under Section 230-232 of the Act and other applicable provisions of the Act.

18.2 The Transferor Company and the Transferee Company shall file the certified copy of the order of the Central Government sanctioning this Scheme with the Registrar of Companies, NCT of Delhi and Haryana and Registrar of Companies, Hyderabad.

18.3 Any other sanctions and approvals as may be required by law, in respect of this Scheme being obtained from any competent authority.

19. EFFECT OF NON-RECEIPT OF APPROVALS



In the event of this Scheme failing to take effect, the Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or employees or any other person. Each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

20. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company. This includes, but not limited to legal and professional fees paid to Company Secretaries, Chartered Accountants, Advocates and other professionals, fees paid on issue of shares, registration fees, stamp paper charges etc. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the Amalgamation exercise or incidental thereto shall be borne proportionality by the Transferor and Transferee Company.

21. FILING / AMENDMENT OF RETURNS

The Transferee Company is expressly permitted to file/revise its income tax (including TDS), service tax, VAT, Sales tax,



Goods & Service tax (GST), Excise, CENVAT/MODVAT and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. The Transferee Company is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes / transactions from the Appointed Date. It is specifically declared that all the taxes (including taxes paid under MAT) /duties paid by the Transferor Company shall after the Appointed Date be deemed to be the taxes (including taxes paid under MAT)/duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted (including taxes paid under MAT) / paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes (including taxes paid under MAT)/duties are in the name of the Transferor Company.

22. DISSOLUTION OF TRANSFEROR COMPANY

22.1 Upon the Scheme becoming effective, the Transferor Company shall without any further act or deed, stand dissolved without being wound up.



22.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Hyderabad. The Transferor Company and the Transferee Company shall make necessary filings in this regard.

23. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Transferor Company as per this Scheme and the continuance of the legal proceedings by or against the Transferee Company shall not affect any transactions or proceedings already completed by the Transferor Company on or before the Appointed Date, and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company, as acts deeds and things done and executed by and on behalf of the Transferee Company.

24. DIRECTORS OF THE TRANSFEROR COMPANY

That the Directors of the Transferor Company shall cease to hold office as Directors thereof with effect from the Effective date and consequently the Board of Directors of the Transferor Company shall stand dissolved.

25. OPERATIVE/EFFECTIVE DATE OF THE SCHEME



The Scheme though operative from the Appointed Date shall be effective from the last of the dates on which certified copy of the order passed by the Central Government under Section 230-232 of the Act are filed with the office of the Registrar of Companies, NCT of Delhi and Haryana and Registrar of Companies, Hyderabad.

26. SEVERABILITY

26.1 If any provision or part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity or implementation of the other provisions and parts of this Scheme.

26.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement entered by the Transferor Company or the Transferee Company including with their respective shareholders and/or creditors and/or other counter parties, and the terms and conditions of this Scheme, the latter shall have overriding effect and shall prevail.



Authorised Signatory




Authorised Signatory


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Authorised Signatory




Authorised Signatory

REPORT UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF LANCO TEESTA HYDRO POWER LIMITED (TRANSFEROR COMPANY) AND NHPC LIMITED (TRANSFeree COMPANY) EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION BETWEEN TRANSFEROR AND TRANSFeree COMPAN UNDER SECTION 230 TO 232 OF COMPANIES ACT, 2013 ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTERS

1. BACKGROUND

The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors of merging Companies to adopt a report explaining the effect of the Scheme on Shareholders, Key Managerial Personnel (KMP), Promoter and Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the Shareholders and Creditors along with the notice convening the meeting of Members/Creditors, if any. The Board noted that the Scheme does not contemplate any allotment of shares of the Transferee Company, as the Transferor Company is a wholly owned subsidiary of the Transferee Company.

The scheme of Amalgamation, duly initiated by the Company Secretary of the Company, was placed before the Respective Board of both Companies.

Having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, its impact on the Company's shareholders, the financial position of the Transferor Company and other documents placed before them.

2. OBJECTS AND RATIONAL OF THE SCHEME

The Scheme would benefit the respective companies and their shareholders, creditors and debenture/Bond-holders on account of the following reasons:

- Transferor Company is a Wholly Owned Subsidiary of the Transferee Company. Consolidation of the Transferor Company and the Transferee Company by way of Amalgamation would result in efficient utilization of management expertise, unification of control, ease in operations saving of operational expenses, reduce compliance requirements and administrative convenience and simplified corporate structure and therefore lead to a more efficient utilization of capital and create a consolidated base for future growth of the Transferee Company;
- With a view to facilitate focused management and efficient utilization of assets and resources of the Transferor Company, it is considered desirable to amalgamate the Transferor Company with the Transferee Company;
- Consolidation of entities will enable most optimum reflection of the combined resources. This will also result in greater transparency and greater accountability to the



shareholders;

- Consolidation of entities will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the both the Companies and also avoid duplication of administrative functions and eliminate multiple record-keeping.

3. EFFECT OF SCHEME

The effect of the scheme on various stakeholders is summarized as under: -

a) Effect of Scheme on the promoter and non-promoter shareholders:

The Scheme does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, and subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares. There will be no change in the shareholding of Promoter/Promoter Group of the Transferee Company pursuant to the adoption of the Scheme as there will be no issuance of shares by the Transferee Company pursuant to the Scheme.

b) Effect on KMP's and Employees: -

All KMPs and other employees of the Transferor Company are on the roles of Transferee Company and their services shall remain uninterrupted with transferee company on the effective date of Scheme.

There shall be no change in the terms and condition of contractual employees, if any and the same shall be honored by the transferee company on the effective date of scheme.

c) Share Exchange Ratio and Valuation difficulties

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved on account of merging into the Transferee Company and no shares will be issued to the shareholders of the Transferor Company as the said Transferor Company is a wholly-owned subsidiary of the Transferee Company. Since pursuant to the Scheme, there will be no issuance of shares from the Transferee Company to Transferor Company, there is no valuation exercise required to be undertaken by the Transferee Company or the Transferor Company to determine the share exchange ratio.

d) Creditors

No rights of the creditors of the Transferor Company are being affected pursuant to the Scheme. The liability of the Transferee Company towards the creditors of the Transferor Company is neither being reduced nor being varied or extinguished. The creditors of the Transferor Company would in no way be affected by the Scheme.

e) Effect on Shareholding Pattern of the Company:

There will be no changes in the shareholding pattern of the transferee Companies pursuant to the Scheme as no shares are being issued by the transferee companies in connection with the scheme



4. CONCLUSION

While deliberating the Scheme, the Board has considered its impact on each class of the shareholders, key managerial personnel, creditors and employees. After discussion, the Board has concluded that the Scheme is in the best interest of the shareholders, promoters and non-promoters' shareholders, key managerial personnel, creditors and employees and there shall be no prejudice caused to them in any manner by the Scheme.





एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)

NHPC Limited
(A Government of India Enterprise)

संदर्भ सं./Ref. No. **NH/CS/199**

फोन/Phone :
दिनांक/Date : **08.12.2021**

Manager
The Listing Department,
M/s BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-400001
मैनेजर, लिस्टिंग विभाग,
बीएसई लिमिटेड
पि.जे. टावरस, दलाल स्ट्रीट,
मुंबई- 400 001
Scrip Code: 533098

General Manager
The Listing Department
M/s National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra(E), Mumbai- 400051
महा प्रबंधक, लिस्टिंग विभाग,
नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड
एक्सचेंज प्लाजा, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (ई),
मुंबई- 400 051
Scrip Code: NHPC

ISIN No. INE848E01016

Sub: Merger/Amalgamation of Lanco Teesta Hydro Power Limited with NHPC Limited

विषय: लैंको टीस्ता हाइड्रो पावर लिमिटेड का एनएचपीसी लिमिटेड के साथ विलय/समांगमेलन के संदर्भ में

Sirs/ महोदय,

In continuation to our earlier letters of even no. dated 20.10.2020 & 23.10.2020 and in compliance to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is to inform that the Board of Directors of NHPC Limited (**Company or Transferee Company**) in its meeting held on Tuesday, December 7, 2021 has *inter-alia* accorded its approval for the merger/amalgamation of Lanco Teesta Hydro Power Limited (**Transferor Company**), which is a wholly owned subsidiary of the Company, with the Company under Section 230-232 of the Companies Act, 2013 and other statutory provisions as per the terms and conditions mentioned in the Scheme of Amalgamation (**Scheme**).

The Scheme will be filed with the relevant regulatory authorities including Ministry of Corporate Affairs or any other appropriate authority for their approval and sanction. The copy of scheme will be forwarded in due course.

The details of disclosure as required under SEBI Circular No. CIR/CFD/CMD/4/2015 dated 09.09.2015, with respect to the above, is enclosed at **Annexure-A**.

This is for your information and record.

यह आपकी जानकारी और रिकॉर्ड के लिए है।

धन्यवाद,

भवदीय,


(रूपा देव)

कंपनी सचिव

पंजीकृत कार्यालय : एन एच पी सी ऑफिस कॉम्प्लेक्स, सेक्टर-33, फरीदाबाद - 121 003, हरियाणा

Regd. Office : NHPC Office Complex, Sector-33, Faridabad - 121 003, Haryana

CIN : L40101HR1975GOI03256A; Website : www.nhpcindia.com

E-mail : webmaster@nhpc.nic.in; EPABX No. : 0129-2588110/2588500

गिजती से संबंधित शिकायतों के लिए 1912-आवज़ करें। Dial 1912 for Complaints on Electricity

Annexure-A

Particulars	Information		
Name of Parties:	Lanco Teesta Hydro Power Limited, (LTHPL) as Transferor Company Address: 1-7-37/1, NMDC Quarters, Quarters No. Type IV-1, Opp. Ramanthapur Church, Street No.8, Ramanthapur Hyderabad- 500013, India. AND NHPC Limited (NHPC) as Transferee Company Address: NHPC OFFICE COMPLEX, SECTOR- 33, FARIDABAD HARYANA- 121003, India.		
Financial Details (As on 31.03.2021)	Particulars	Net Worth (Rs. in Crore)	Total Revenue (Rs. in crore)-from operation
	LTHPL	1036.16	Nil
	NHPC	31647.31	8506.58
Whether the transaction would fall within Related Party Transactions? If Yes, whether the same is done at "Arm's Length"	Transferor Company is a Wholly Owned Subsidiary Company of Transferee Company and are related parties. However, as per General Circular 30/2014 of July, 2014, compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013 will not attract the requirements of Section 188 of the Companies Act, 2013. Further, as per Regulation 23 (5) (a) & (b) of SEBI LODR, 2015, the related party transaction provisions are not applicable to the proposed scheme.		
Area of Business of the Entity(ies)	<u>NHPC Limited:-</u> (Transferee Company) To plan, promote and organize an integrated and efficient development of power in all its aspects through Conventional and Non-Conventional Sources in India and Abroad, including planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance of power stations and projects, transmission, distribution, trading and sale of power generated at Stations in accordance with the national economic policy and objectives laid down by the Central Government from time to time and release of water and other needs to the State Govt. as per the agreed parameters. <u>LTHPL:-</u> (Transferor Company) Power Generation		

Rationale for Amalgamation/ Merger	<p>i. Merger of LTHPL with NHPC will enable access to debt funding at NHPC's credit rating whereas LTHPL, on its own, will incur debt financing at a higher rate. Higher interest cost, would adversely impact the tariff of the Teesta-VI HE project being developed by LTHPL.</p> <p>ii. LTHPL requires a number of support functions such as Contracts & Procurement, IT&C, Cost Engineering, Design & Engineering, Corporate Finance, Planning, and Commercial and so on for its operations. Presently, LTHPL has only nominal staff strength due to which support functions have been entrusted to NHPC as a consultancy assignment on payment basis.</p> <p>iii. The Transfer Pricing regulations and computation u/s 92C of the Income Tax Act would not apply to the proposed transaction of merger i.e. Merger/Amalgamation between the holding and its wholly owned subsidiary company, as the value of consideration is NIL, therefore, it can be claimed that no stamp duty is payable in States where it is levied with reference to the value of consideration.</p> <p>iv. As per amendment in Finance Act, 2020, NHPC will be liable to pay tax under Normal provision of Income Tax in respect of dividend income received from LTHPL subject to deduction available under Section 57 and Section 80M of the Act.</p> <p>v. Efficient utilization of capital and create a consolidated base for future growth for NHPC.</p> <p>vi. It will help enhance NHPC's standalone financial parameters.</p> <p>vii. To facilitate focused management and efficient utilization of assets and resources.</p> <p>viii. Avoid duplication of administrative functions and eliminate multiple records keeping.</p>
Cash consideration – amount or otherwise share exchange ratio	Since the merger is between Wholly Owned Subsidiary Company and Holding Company, No Cash or issue of New Shares by Transferee Company shall be undertaken.
Brief details of change in shareholding pattern (if any) of listed entity.	No Change in Shareholding Pattern post-merger.

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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 "Standalone 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 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 Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), 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 Standalone 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.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
1.	<p>Regulatory Deferral Account Debit Balances and accruals of revenue pending tariff Notifications.</p> <p>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. The Company invoices its customers on the basis of pre-approved/provisional tariff which is subject to truing up.</p> <p>The Company recognizes revenue as the amount invoiced to customers based on pre-approved/provisional tariff rates agreed with the regulator. As the Company is entitled to a fixed return on equity, the difference between the revenue recognized and entitlement as per the regulations is recognized as regulatory assets / liabilities.</p> <p>As at March 31, 2023, the Company has recognized Regulatory Deferral Account Debit balances of ₹ 6420.12 Crores (₹ 6948.11 Crores up to March 31, 2022) as given in Note 14.1 of the Standalone Financial Statements.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying value of Regulatory Deferral Account Debit Balances include the following:</p> <ul style="list-style-type: none"> 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.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	<p>This include accruals aggregating to ₹ 3470.59 Crores 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) of Standalone Financial Statements.</p> <p>Regulatory Deferral Accounts Debit Balances are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. The Regulatory Deferral Accounts Debit Balances are recognized on undiscounted basis based on the estimates and assumptions with respect to the probability that future economic benefit will flow to the entity as a result of actual or expected action of regulator under applicable regulatory framework and therefore recoverability thereof is dependent upon Tariff Regulations and related approvals and notifications.</p> <p>The accruals made as above are vital and proprietary to the business in which the Company is operating. In absence of specific notification and rate fixation, these are based on the management's assumptions and estimates which are subject to finalization of tariff by CERC and commencement of operations of the Projects.</p>	<ul style="list-style-type: none"> Evaluating the various assumptions considered by the management for arriving at the value of Cash Generating Unit, Note 34(18) of Standalone Financial Statements 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. Assessing the application of provisions of Ind AS 114, Guidance Note on Accounting of Rate Regulated Activities issued by ICAI for recognition of regulatory deferral balances. Reviewing the adequacy and reasonableness of amounts recognised and measurement policies followed by the Company and adequacy of the disclosure made with respect to the same in the Standalone Financial Statements of the Company.
2.	<p>Impairment Assessment of carrying amount of:</p> <p>A. Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)</p> <p>Each of the Power Station/ Project has been considered as Cash Generating Units (CGU) of the Company and impairment indicators and requirements thereof have been assessed with respect to the Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP) as given in Note 34(18) of the Standalone Financial Statements. 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 operates. Based on the assessment, the Company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the Company tested for impairment during the year 2022-23. Based on the above assessment, no provision for impairment against PPE or CWIP has been considered necessary by the Company.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the impairment assessment of carrying amount of PPE, CWIP & Investments in/ Loans to Subsidiaries/ Joint Ventures include the following:</p> <ul style="list-style-type: none"> Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 36. 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: <ul style="list-style-type: none"> Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances; Price assumptions 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.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	<p>Impairment exercise undertaken which justifies the carrying amount of certain assets as above include the regulatory deferral account balances pertaining to Subansiri Lower HE Project as dealt with under para 1 above, is significant and vital to the Company's operations.</p> <p>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.</p> <p>B. Company's investments in and loans to Subsidiaries and Joint Ventures</p> <p>The Company has investments in a subsidiary (Loktak Downstream Hydroelectric Corporation Limited) and a joint venture (National High Power Test Laboratory Private Limited) with a carrying value of ₹ 135.96 Crores. Further, the Company has also provided loan to the joint venture amounting to ₹ 18.40 Crore.</p> <p>The Company accounts for its investments in subsidiaries and joint ventures at cost (subject to impairment assessment). Management regularly reviews whether there are any indicators of impairment of investments with reference to Ind AS 36 'Impairment of Assets'. If such indicators exist, impairment loss is determined and recognised in accordance with the accounting Policy of the Company.</p> <p>In case of the subsidiary, due to the delay in investment sanction (PIB & CCEA) and high projected tariffs, the Company has recognised impairment allowance of ₹ 105.56 Crores during the year ended March 31, 2023, in respect of the investment made in the subsidiary.</p> <p>The joint venture, on the other hand, has been incurring continuous losses, and accordingly, during the year ended March 31, 2023, the Company has recognised impairment allowance of ₹ 16.33 Crores, in respect of the investment made in the joint venture and ₹ 18.40 Crores in respect of loan provided to the joint venture. Refer Note 34(18) of Standalone Financial Statements.</p>	<ul style="list-style-type: none"> Reviewed the Government Policy and approval for setting up the Projects, decision of the Board of Directors and the efforts and steps being undertaken in this respect. Reliance has been placed on management projections for completion timeline, volume of generation and resultant revenue based on expected tariff there against. Obtained and read the financial statements of the Subsidiaries and joint ventures to identify any disclosure for impairment of assets in their standalone financial statements. Evaluation of adequacy and appropriateness of disclosures made in the Standalone Financial Statements.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	Further, the Company has not recognised interest income of ₹ 2.10 Crores during the current financial year (₹ 1.67 Crores during the year ended March 31, 2022) from its joint venture due to significant uncertainty in realization.	
3.	<p>Contingent Liabilities – against claim from Contractors (Note 34(1)(a)(i) of Standalone Financial Statements)</p> <p>Various claims lodged by the Contractors against Capital Works amount to ₹ 9971.13 Crores of which ₹ 1116.93 Crores have been provided for, ₹ 8556.95 Crores have been disclosed under Contingent Liabilities and in respect of the rest of the claims, possibility of any outflow in settlement is considered as remote. This includes matters under arbitration and/ or before the Court which have been decided against the Company. Further, amounts have been paid/deposited pursuant to the NITI Aayog directions or Court order in some cases as referred in Note 34 (1) (e) (i) & (ii) of the Standalone Financial Statements.</p> <p>Claims made against the Company are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof. Provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:</p> <ul style="list-style-type: none"> • Obtained the status of the cases 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 perusing/ 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 and provision made by the Management pending final judgement/ decisions; • Reviewed the appropriateness and adequacy of the disclosure and provision by the management as required in terms of the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".
4.	<p>Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage upto 31.03.2023</p> <p>Expenditure of ₹ 1293.90 Crores as given in Note 2.2.3 of the Standalone Financial Statements has been incurred for conducting survey and investigation on projects. This includes Interest, administrative and other costs attributable to these projects. Out of this ₹ 964.21 Crores (including ₹ 2.19 Crores during the year) have been provided for, keeping in view uncertainty with respect to clearances, approvals for implementing the Projects, leaving ₹ 329.69 Crores which has been carried forward as Capital Work in Progress.</p> <p>Further, Capital Work in Progress also includes Projects where active construction activities are yet to be undertaken.</p> <p>Interest, Administrative and other Costs are capitalized till the projects are abandoned, however, provisions are made as given herein above in cases where in view of the management there are uncertainties in implementing the projects undertaken.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of expenditure incurred on survey and Investigation Projects include the following:</p> <ul style="list-style-type: none"> • Obtained the status of the Projects under Survey and Investigation stage as provided by the management and the reason thereof of keeping them in abeyance. • Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred (a) for survey and investigation projects and the Policy followed for making provisions/ write off for such expenses given the nature of business of the Company, (b) for project under pre-construction stage and allocation of Borrowing and other cost incurred and allocated there against. • Evaluating the management's rationale with respect to continuing such projects under Capital Work in Progress in spite of there being uncertainties and delay in implementing the same and expected economic use of the same in future.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	In the event of related Projects not being undertaken, amounts spent on survey and investigation and those incurred/ allocated prior to construction thereof will no longer be eligible to be carried forward as Capital Work in Progress.	<ul style="list-style-type: none"> Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for the same given the location, size and nature in each case of the respective project. The matter being technical and proprietary to the nature of business in which the Company is operating, reliance has been placed on the management's contention and representation on the matter.
5.	<p>Recognition of MAT Credit and Regulatory Deferral (Credit) balances</p> <p>During the current Financial Year, the Company has assessed the recoverability of unrecognised MAT Credit of ₹ 945.96 Crores available to it. Based on such assessment, the Company has recognized deferred tax asset relating to MAT credit entitlement of ₹ 417.31 Crores (₹ 1478.62 Crores upto March 31, 2022) as the amount of MAT Credit which shall be available for utilization by the Company in future years by way of lower outflow of Income Tax in future years. Out of the MAT Credit recognised, ₹ 328.94 Crores has been utilized during the current Financial Year.</p> <p>Correspondingly, in respect of ibid deferred tax asset relating to MAT credit entitlement, Regulatory Deferral (Credit) Balance of ₹ 923.20 Crores (₹ 1313.27 Crores upto March 31, 2022) has been recognized, being the amount, which shall be passed on to the beneficiaries in future as per CERC Tariff Regulations.</p> <p>The recoverability of this deferred tax asset relating to MAT credit entitlement is dependent upon the generation of sufficient future taxable profits to utilize such entitlement within the stipulated period prescribed under the Income Tax Act, 1961.</p> <p>The recognition of MAT Credit and Regulatory Deferral (Credit) balance there against is important to the intended users of the Standalone Financial Statements in view of its materiality and requirement of judgement in forecasting future taxable profits for recognition of MAT credit entitlement considering the recoverability of such tax credits within allowed time frame as per the provisions of the Income Tax Act, 1961.</p> <p>Relevant disclosures in this regard have been provided at Notes 14.2, 18, 30.1, 31, 34(22)(E) read with Significant Accounting Policy No. 20.0(b) of the Standalone Financial Statements.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding appropriateness of MAT Credit recognized and Regulatory Deferral (Credit) balances created there against include the following:</p> <ul style="list-style-type: none"> 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 developments, 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 forecasts prepared by the Company and probability of future taxable income. Review of underlying assumptions for consistency and uncertainty involved and principle of prudence for arriving at a reasonable degree of probability of utilisation of MAT Credit recognized. Review of implication pertaining to regulatory regime under which the Company operates and estimations prepared by the Company regarding MAT Credit arising out of generation activity to be passed on to beneficiaries and impact thereof on the Standalone Financial Statements under the given current Regulatory provisions and period of applicability thereof. Evaluation of adequacy and appropriateness of disclosures made in the Standalone Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditors' report thereon. The other information as stated above is expected to be made available to us after the date of this auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities 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 Standalone 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

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 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.	<p>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 Standalone Financial Statements are compiled offline based on balances and transactions generated from ERP system.</p> <p>We have neither been informed nor have we 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.</p>

Sl. No.	Directions	Reply
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company)	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. Further, in respect of loan given by the Company to National High Power Test Laboratory Private Limited (Joint Venture) where interest was receivable in half yearly instalments starting from 30.04.2021 and principal was repayable in 20 equal half yearly instalments starting from 31.10.2022, interest accrued for the FY 2021-22 amounting to ₹ 1.67 Crore and for the FY 2022-23 amounting to ₹ 2.10 Crores respectively have not been accounted for in view of significant uncertainty of realization due to cash losses incurred by the Joint Venture.
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	According to information and explanations given to us and based on our audit, the Company has accounted for and utilized the funds received for specific schemes from Central/State agencies as per the terms and conditions of the schemes.

iii. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) in terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable as it is a Government Company.
- f) With respect to the adequacy of the internal financial controls with reference to Standalone 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 and Companies (Audit and Auditors) Amendment Rules, 2021 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 34(1) to the Standalone Financial Statements.
 - ii. The Company did not have any material foreseeable losses against long-term contracts including derivative contracts and thereby requirement for making provision in this respect is not applicable to the Company.
 - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.
- v. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (v) (a) and (v) (b) contain any material mis-statement.
- vi. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- vii. The Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For K G Somani & Co LLP

Chartered Accountants
FRN: 006591N/N500377

(Bhuvnesh Maheshwari)

Partner
M. No.088155
UDIN: 23088155BGYWED5558

For Chaturvedi & Co.

Chartered Accountants
FRN: 302137E

(S C Chaturvedi)

Partner
M. No. 012705
UDIN: 23012705BGWLYC7299

For P C Bindal and Co.

Chartered Accountants
FRN: 003824N

(Manushree Bindal)

Partner
M. No. 517316
UDIN: 23517316BGYPFX8650

Place: New Delhi
Date: May 29, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph (i) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible 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 Property, Plant and Equipment 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 deeds provided to us, we report that, the title deeds, comprising all the immovable properties (including leased assets where the Company is a lessee) 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 deeds are not in the name of the Company:

Relevant line item in the Balance sheet	Description of Item of Property	Gross Carrying Value (₹ in Crore)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land (1458.45 Hectare)	6.52	Hind Sarkar (Govt. of India)	No	Since 1987	In respect of Salal Power Station. Documents are yet to be executed in favour of Company.
Property, Plant and Equipment	Land (7.0844 Hectare)	36.08	Various Parties	No	27.09.2021	The land is under possession of Parbati-II HEP. Documents are yet to be executed in favour of Company.
Property, Plant and Equipment	Land (4.69 Hectare)	6.33	Various Parties	No	10.04.2008	In respect of Teesta-V Power Station. Documents are yet to be executed in favour of Company.
Property, Plant and Equipment	Land (0.09 Hectare)	0.01	Prem Tshering Lepcha	No	31.03.2000	In respect of Rangit Power Station. Present owner of the property has passed away. Execution of Title Deed is pending.

Relevant line item in the Balance sheet	Description of Item of Property	Gross Carrying Value (₹ in Crore)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land (0.10 Hectare)	0.0004	Various Parties	No	Since 1987	In respect of Salal Power Station. Documents are yet to be executed in favour of Company.
Property, Plant and Equipment	Land (74.95 Hectare)	0.00	Govt of India 74.08 Hectare and pvt land 0.87 Hectare	No	Since January 1978	In respect of Bairasiul Power Station. Documents are yet to be executed in favour of Company.
Right of Use Assets	Land (122.93 Hectare)	140.86	Govt. of J&K under occupancy of NHPC	No	24.03.2011	The Land in respect of Kishanganga Power Station. Documents are yet to be executed in favour of Company.
Right of Use Assets	Land (28.13 Hectare)	18.53	Govt. land	No	2006-21	The Land in respect of Uri-II Power Station. Documents are yet to be executed in favour of Company.
Right of Use Assets	Land (219.56 Hectare)	6.15	Govt. land	No	Since 1984	In respect of Dulhasti Power Station. Documents are yet to be executed in favour of Company.
Right of Use Assets	Land (70.98 Hectare)	3.37	Govt. land	No	24.05.2021	In respect of Solar Project Ganjam. Lease agreement is under process
Right of Use Assets	Land (3.99 Hectare)	0.27	Jammu & Kashmir State Power Development Corporation Limited (JKSPDC)	No	31.07.2003	In respect of Chutak Power Station. Documents are yet to be executed in favour of Company.
Right of Use Assets	Land (7.72 Hectare)	0.19	JKSPDC & SDM,Bani (J&K)	No	Since 2000	In respect of Sewa-II Power Station. Matter is under regular correspondence with JKSPDC & SDM, Bani (J&K) for issuance of No Objection certificate. NOC is still awaited from concerned state department.

Relevant line item in the Balance sheet	Description of Item of Property	Gross Carrying Value (₹ in Crore)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Right of Use Assets	Land (11.32 Hectare)	0.15	Private Land 7.87 Hectare and Govt. Land 3.45 Hectare	No	1991-92	In respect of Uri-I Power Station. Case is pending at court/State revenue authority.
Right of Use Assets	Land (0.22 Hectare)	0.05	Govt. land	No	30.09.2010	In respect of Nimoo Bazgo Power Station. The draft of lease deed has been provided to Tehsildar, Leh for the execution of title deed in favour of Company.
Right of Use Assets	Land (1.56 Hectare)	0.02	Govt. land	No	1984	In respect of Chamera-I Power Station. Matter is pending before court.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) 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 and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory. Minor discrepancies noticed during physical verification were properly dealt within the books of account.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans and made investments in subsidiaries and joint ventures and provided guarantees to banks in respect of loans taken by subsidiary companies.
- (a) (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to subsidiaries and joint ventures are as per the table given below:

Particulars	Guarantees (₹ in Crores)	Loans (₹ in Crores)
Aggregate amount granted/ provided during the year		
- Subsidiaries	863.00	315.00
- Joint Ventures	-	-
Balance outstanding as at balance sheet date in respect of the above cases		
- Subsidiaries	833.58*	60.00
- Joint Ventures	-	-

* Includes interest accrued.

- (B) Based on the audit procedures carried out by us and as per the information and explanations given to us, during the year, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to parties other than subsidiaries and joint ventures.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions under which such investments were made, guarantees provided and loans were granted are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except in case of Loan given to National High Power Test Laboratory (P) Limited (Joint Venture) where interest was receivable in half yearly installments starting from 30.04.2021 and principal was repayable in 20 equal half yearly instalments starting from 31.10.2022. The interest accrued for the FY 2021-22 amounting to ₹ 1.67 Crore and for the FY 2022-23 amounting to ₹ 2.10 Crores respectively have not been accounted for in view of significant uncertainty of realization due to cash losses incurred by the Joint Venture. Further, impairment allowance of ₹ 18.82 Crore including interest already accrued for previous periods aggregating to ₹ 0.42 Crores has been created considering it to be doubtful. The same has been disclosed in Note 34(8) of the Standalone Financial Statements.

(d)

No. of cases	Principal Amount Overdue (₹ in Crores)	Interest overdue (₹ in Crores)	Total Overdue (₹ in Crores)	Remarks
1	0.92	0.42*	1.34	Reasonable steps have been taken by the Company for recovery of overdue interest and principal.

* Excluding unrecognized interest income of ₹ 3.77 Crores.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.
- (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 or amounts which are deemed to be deposits from the public 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 Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales 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 Goods and Services Tax, 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, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the details of disputed dues of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, if any, as at March 31, 2023, are as follows:

Name of the Statute	Nature of dues	Period to which it pertains	Forum at which case is pending	Gross Disputed Amount (in ₹ Crore)	Amount Deposited under Protest (in ₹ Crore)
Building and Other Construction Workers Welfare Cess Act, 1996	Building and Other Construction Workers Welfare Cess	2009-10	Labour officer cum cess assessment officer, Chamba	9.24	9.24
Uttarakhand Water Tax on Electricity Generation Act, 2012	Water Cess	2015-16 to 2022-23	High Court of Uttarakhand Nainital	106.00	-
	Water Cess	2015-16 to 2022-23	High Court of Uttarakhand Nainital	118.42	-
Uttarakhand Green Energy Cess Act, 2014	Green Energy Cess	2015-16 to 2022-23	High Court of Uttarakhand Nainital	71.57	-
	Green Energy Cess	2015-16 to 2022-23	High Court of Uttarakhand Nainital	32.68	-
J&K Urban Immovable Property Tax Act, 1962	Property Tax	01.04.1991 to 31.03.1997	State Sales Tax Appellate Tribunal, Jammu	0.05	0.01
	Property Tax	01.04.1997 to 31.03.2002	State Sales Tax Appellate Tribunal, Jammu	0.15	0.01

Name of the Statute	Nature of dues	Period to which it pertains	Forum at which case is pending	Gross Disputed Amount (in ₹ Crore)	Amount Deposited under Protest (in ₹ Crore)
Central Sales Tax and VAT Acts of Various States	Sales Tax/ VAT	2014-15	State Tax Department, Uttarakhand, Joint Commissioner (Appeals)	0.02	0.01
	Sales Tax/ VAT	1994-95	J&K State sales tax appellate tribunal Srinagar	234.61	-
	Sales Tax/ VAT	2004-05	West Bengal Taxation Tribunal, Kolkata	0.17	0.17
	Sales Tax/ VAT	2005-06	West Bengal Taxation Tribunal, Kolkata	1.44	1.44
	Sales Tax/ VAT	2006-07	West Bengal Taxation Tribunal, Kolkata	4.99	4.85
	Sales Tax/ VAT	2007-08	West Bengal Taxation Tribunal, Kolkata	3.48	2.73
	Sales Tax/ VAT	2008-09	West Bengal Taxation Tribunal, Kolkata	1.67	1.24
	Sales Tax/ VAT	2009-10	West Bengal Taxation Tribunal, Kolkata	1.59	1.52
	Sales Tax/ VAT	2010-11	West Bengal Taxation Tribunal, Kolkata	1.21	1.21
	Sales Tax/ VAT	2011-12	West Bengal Taxation Tribunal, Kolkata	2.14	2.14
	Sales Tax/ VAT	2012-13	West Bengal Taxation Tribunal, Kolkata	2.74	-
	Sales Tax/ VAT	2012-13	J&K Sales Tax Appellate Tribunal Srinagar	16.41	4.64
	Sales Tax/ VAT	2013-14	J&K Sales Tax Appellate Tribunal Srinagar	8.56	2.41
	Sales Tax/ VAT	2014-15	J&K Sales Tax Appellate Tribunal Srinagar	25.56	8.01
	Sales Tax/ VAT	2015-16	J&K Sales Tax Appellate Tribunal Srinagar	37.15	16.26
	Sales Tax/ VAT	2016-17	J&K Sales Tax Appellate Tribunal Srinagar	7.98	4.48
	Sales Tax/ VAT	2017-18	J&K Sales Tax Appellate Tribunal Srinagar	3.14	1.69

Name of the Statute	Nature of dues	Period to which it pertains	Forum at which case is pending	Gross Disputed Amount (in ₹ Crore)	Amount Deposited under Protest (in ₹ Crore)
Finance Act, 1994	Service Tax	2004-2009	CESTAT, Chandigarh	19.65	1.70
	Service Tax	2008-09 to June 2017	CESTAT Kolkata	28.67	28.67
	Service Tax	2013-14 to 2017-18	Central Excise and Service Tax Appellate Tribunal, Chandigarh	101.00	-
Custom Act, 1962	Custom Duty	2019-20	CESTAT Kolkata	25.15	-
Income Tax Act, 1961	Income Tax	2016-17	CIT (Appeal), faceless centre	4.30	0.86
	Income Tax	2020-21	CIT (Appeal), faceless centre	5.74	-
Employees Provident Funds Act, 1952	EPF (Incl. Admin Charges & damage Charges)	01.04.1989 to 31.12.2004	Hon'ble High Court	0.00*	-
	EPF (Incl. Admin Charges & damage Charges)	01.11.1995 to 31.12.2004	Hon'ble High Court	0.00*	-
TOTAL				875.50	93.27

* Less than ₹ 0.01 Crores.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) 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 loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures. Accordingly, clause 3(ix) (e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Accordingly, clause 3(ix) (f) of the Order is not applicable.

- (x) (a) 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 (including debt instruments) during the year. Accordingly, clause 3(x) (a) of the Order is not applicable.
- (b) 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 or optionally convertible debentures during the year. Accordingly, clause 3 (x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Hence, reporting under clauses 3(xii) (a), (b) and (c) 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 Note No.34 (8) of Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) (a) The Company is having Internal Audit Department responsible for carrying out the internal audit of various sections at corporate office, power stations/ projects, project offices and other offices at periodical intervals as per the approved audit plan. The internal audit system adopted by the internal audit department is commensurate with the size and nature of the business of the Company.
- (b) We have considered the internal audit reports for the year under audit, submitted by Internal Audit Department to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (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, clauses 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company,
 - a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
 - b) The company has not conducted any Non- Banking Financial or Housing Finance activities during the year.
 - c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
 - d) The Group does not have any CIC.Accordingly, clauses 3(xvi) (a), (b), (c) and (d) of the Order are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the

audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For K G Somani & Co LLP

Chartered Accountants
FRN: 006591N/N500377

(Bhuvnesh Maheshwari)

Partner
M. No.088155
UDIN: 23088155BGYWED5558

For Chaturvedi & Co.

Chartered Accountants
FRN: 302137E

(S C Chaturvedi)

Partner
M. No. 012705
UDIN: 23012705BGWLYC7299

For P C Bindal and Co.

Chartered Accountants
FRN: 003824N

(Manushree Bindal)

Partner
M. No. 517316
UDIN: 23517316BGYPFX8650

Place: New Delhi

Date: May 29, 2023

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph (iii) (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls with reference to Standalone 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 Standalone Financial Statements of **NHPC Limited** (“the Company”) as at March 31, 2023 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 Standalone 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by ICAI, and deemed to be 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 Standalone 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 Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone 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 Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone 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 including the Indian Accounting Standards (Ind AS). A Company's internal financial control with reference to Standalone 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone 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 Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal control with reference to Standalone 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 ICAI.

For K G Somani & Co LLP

Chartered Accountants
FRN: 006591N/N500377

(Bhuvnesh Maheshwari)

Partner
M. No.088155
UDIN: 23088155BGYWED5558

For Chaturvedi & Co.

Chartered Accountants
FRN: 302137E

(S C Chaturvedi)

Partner
M. No. 012705
UDIN: 23012705BGWLYC7299

For P C Bindal and Co.

Chartered Accountants
FRN: 003824N

(Manushree Bindal)

Partner
M. No. 517316
UDIN: 23517316BGYPFX8650

Place: New Delhi
Date: May 29, 2023

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Crore)

PARTICULARS	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS			
(1) NON-CURRENT ASSETS			
a) Property, Plant and Equipment	2.1	17,435.03	19,024.55
b) Capital Work In Progress	2.2	25,315.01	20,573.84
c) Right Of Use Assets	2.3	2,625.70	1,783.12
d) Investment Property	2.4	4.49	4.49
e) Intangible Assets	2.5	3.08	3.11
f) Financial Assets			
i) Investments	3.1	5,546.96	5,414.34
ii) Trade Receivables	3.2	399.45	-
iii) Loans	3.3	1,089.80	1,017.59
iv) Others	3.4	4,547.09	4,502.78
g) Non Current Tax Assets (Net)	4	30.27	9.52
h) Other Non Current Assets	5	3,602.77	3,753.96
TOTAL NON CURRENT ASSETS		60,599.65	56,087.30
(2) CURRENT ASSETS			
a) Inventories	6	150.48	130.30
b) Financial Assets			
i) Investments	7.1	151.35	-
ii) Trade Receivables	7.2	5,487.59	4,621.48
iii) Cash and Cash Equivalents	8	382.67	937.78
iv) Bank balances other than Cash and Cash Equivalents	9	255.55	222.93
v) Loans	10	114.59	55.68
vi) Others	11	614.32	731.73
c) Current Tax Assets (Net)	12	132.83	123.17
d) Other Current Assets	13	405.97	441.14
TOTAL CURRENT ASSETS		7,695.35	7,264.21
(3) Regulatory Deferral Account Debit Balances	14.1	6,420.12	6,948.11
TOTAL ASSETS		74,715.12	70,299.62
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	15.1	10,045.03	10,045.03
(b) Other Equity	15.2	25,362.93	23,441.07
TOTAL EQUITY		35,407.96	33,486.10

(₹ in Crore)

PARTICULARS	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
(2) LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	16.1	25,254.69	23,166.61
ia) Lease Liabilities	16.2	11.70	12.88
ii) Other financial liabilities	16.3	2,143.07	2,088.04
b) Provisions	17	50.92	48.05
c) Deferred Tax Liabilities (Net)	18	1,937.34	2,100.74
d) Other non-current Liabilities	19	1,944.56	2,026.16
TOTAL NON CURRENT LIABILITIES		31,342.28	29,442.48
(3) CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	20.1	2,885.65	2,848.76
ia) Lease Liabilities	20.2	2.39	2.27
ii) Trade Payables	20.3		
Total outstanding dues of micro enterprises and small enterprises		37.12	23.12
Total outstanding dues of Creditors other than micro enterprises and small enterprises		178.33	166.45
iii) Other financial liabilities	20.4	1,541.05	1,370.72
b) Other Current Liabilities	21	734.91	510.70
c) Provisions	22	1,662.23	1,135.75
d) Current Tax Liabilities (Net)	23	-	-
TOTAL CURRENT LIABILITIES		7,041.68	6,057.77
(4) Regulatory Deferral Account Credit Balances	14.2	923.20	1,313.27
TOTAL EQUITY & LIABILITIES		74,715.12	70,299.62

Accompanying notes to the Standalone Financial Statements 1-34

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crore)

PARTICULARS	Note No.	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
INCOME			
i) Revenue from Operations	24.1	9,316.34	8,309.22
ii) Other Income	24.2	834.56	1,026.18
TOTAL INCOME		10,150.90	9,335.40
EXPENSES			
i) Generation Expenses	25	936.46	841.24
ii) Employee Benefits Expense	26	1,301.35	1,440.78
iii) Finance Costs	27	476.16	531.75
iv) Depreciation and Amortization Expense	28	1,145.44	1,126.22
v) Other Expenses	29	1,707.89	1,348.55
TOTAL EXPENSES		5,567.30	5,288.54
PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		4,583.60	4,046.86
Exceptional items		-	-
PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		4,583.60	4,046.86
Tax Expenses	30.1		
i) Current Tax		760.72	726.23
ii) Deferred Tax		(155.32)	(1,487.50)
Total Tax Expenses		605.40	(761.27)
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		3,978.20	4,808.13
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	(144.41)	(1,270.42)
PROFIT FOR THE YEAR (A)		3,833.79	3,537.71
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		(3.79)	9.51
Less:- Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations		(2.45)	(3.73)
- Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations		6.49	2.33
Sub total (a)		5.15	15.57
(b) Investment in Equity Instruments		3.36	5.40
Sub total (b)		3.36	5.40
Total (i)=(a)+(b)		8.51	20.97

(₹ in Crore)

PARTICULARS	Note No.	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
(ii) Items that will be reclassified to profit or loss (Net of Tax)			
- Investment in Debt Instruments		(11.88)	(8.21)
Total (ii)		(11.88)	(8.21)
Other Comprehensive Income (B)=(i+ii)		(3.37)	12.76
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) (COMPRISING PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR)		3,830.42	3,550.47
Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)	34 (12)		
Before movements in Regulatory Deferral Account Balances		3.96	4.79
After movements in Regulatory Deferral Account Balances		3.82	3.52
Accompanying notes to the Standalone Financial Statements	1-34		

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year including movements in Regulatory Deferral Account Balance	4439.19	2776.44
Less: Movement in Regulatory Deferral Account Balances	(144.41)	(1270.42)
Profit before Tax	4583.60	4046.86
ADD :		
Depreciation and Amortization	1145.44	1126.22
Finance Cost (Net of EAC)	476.16	531.75
Provision for Diminution in value of investment	121.89	14.07
Provisions Others (Net of EAC)	26.63	28.47
Tariff Adjustment (loss)	-	34.70
Sales adjustment on account of Exchange Rate Variation	32.47	44.02
Loss/(Profit) on sale of assets/Claims written off	1.36	12.55
Fair value Audjustments	93.45	-
	1897.40	1791.78
	6481.00	5838.64
LESS :		
Advance against Depreciation written back	50.42	48.25
Provisions (Net gain)	31.06	28.13
Adjustment against Consultancy Charges from Subsidiary Companies	-	2.04
Dividend Income	376.85	301.71
Interest Income & Guarantee Fees (including Late Payment Surcharge)	233.65	384.37
Exchange rate variation (Gain)	0.50	49.28
Fair value Audjustments	-	0.40
Amortisation of Government Grants	33.20	33.20
	725.68	847.38
Cash flow from Operating Activities before Operating Assets and Liabilities adjustments and Taxes	5755.32	4991.26
Changes in Operating Assets and Liabilities:		
Inventories	(20.43)	(5.93)
Trade Receivables	(1325.88)	(88.99)
Other Financial Assets, Loans and Advances	263.32	364.41
Other Financial Liabilities and Provisions	13.77	(271.61)
Regulatory Deferral Account Balances	(1.11)	0.17
	(1070.33)	(1.95)
Cash flow from operating activities before taxes	4684.99	4989.31
Less : Taxes Paid	791.14	730.69
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	3893.85	4258.62
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Investment Property, Other Intangible Assets, Capital Work-in-progress (including expenditure attributable to construction forming part of Capital Work in Progress for the year) and Movement in Regulatory Deferral Account Balances forming part of Project Cost- Net of Grant	(2763.81)	(2997.93)
Sale of Assets	1.39	2.78

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Investment in Joint Venture (including Share Application Money pending allotment)	(107.94)	(451.56)
Investment in Subsidiaries (including Share Application Money pending allotment)	(530.60)	(744.18)
Loan to Subsidiaries (Net)	(60.00)	-
Interest on Loan to Subsidiaries/Joint Ventures (Net)	2.82	0.19
Net Investment in Term Deposits	(14.28)	569.04
Dividend Income	376.85	301.71
Interest Income & Guarantee Fees (including Late Payment Surcharge)	166.27	329.78
NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES (B)	(2929.30)	(2990.17)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1908.56)	(1667.48)
Proceeds from Long Term Borrowings	3972.37	3516.39
Proceeds from Short Term Borrowings	-	597.87
Repayment of Borrowings	(1898.66)	(1398.18)
Interest & Finance Charges	(1681.52)	(1521.05)
Principal Repayment of Lease Liability	(2.18)	(2.69)
Interest paid on Lease Liability	(1.11)	(1.11)
NET CASH FLOW FROM/USED IN FINANCING ACTIVITIES (C)	(1519.66)	(476.24)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(555.11)	792.21
Cash and Cash Equivalents at the beginning of the year	937.78	145.57
Cash and Cash Equivalents at the close of the year	382.67	937.78

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

- 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 detail of Cash and Cash equivalents is as under:

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Balances with Banks		
With scheduled Banks:		
- In Current Account	382.66	937.78
- In Deposits Account	-	-
(Deposits with original maturity of less than three months)		
Cash on Hand	0.01	0.00
Cash and Cash equivalents	382.67	937.78

- Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 1209.62 Crore (Previous year ₹ 993.62 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).
- Amount of undrawn loan as on 31.03.2023 : ₹ 925.00 Crore (Previous Year ₹ 1425.00 Crore).
- Company has incurred ₹ 114.81 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2023 (Previous Year ₹ 94.96 Crore).

5 Net Debt Reconciliation :

(₹ in Crore)

	As at 31 st March, 2023	As at 31 st March, 2022
Borrowings (Current & Non-Current)	28773.01	26651.47
Lease Liability	14.09	15.14
Total	28787.10	26666.61

(₹ in Crore)

Particulars	For the year ended 31 st March, 2023			For the year ended 31 st March, 2022		
	*Borrowings (Current & Non- Current)	Lease Liability	Total	*Borrowings (Current & Non-Current)	Lease Liability	Total
Opening Net Debt as on 1st April	26651.47	15.14	26666.61	24,010.85	12.65	24023.50
Proceeds from Borrowings	3972.37	-	3972.37	4,114.26	-	4114.26
Repayment of Borrowings/ Lease Liability	(1898.66)	(2.18)	(1900.84)	(1398.18)	(2.69)	(1400.87)
Interest paid	(1681.52)	(1.11)	(1682.63)	(1521.05)	(1.11)	(1522.16)
Other Non-Cash Movements :		-	-	-	-	-
-Increase in Lease Liability	-	1.13	1.13	-	5.18	5.18
-Foreign exchange adjustments	(7.45)	-	(7.45)	(58.77)	-	(58.77)
-Interest and Finance Charges	1679.10	1.11	1680.21	1,497.62	1.11	1498.73
-Fair value adjustments	57.70	-	57.70	6.74	-	6.74
Closing Net Debt as on 31st March	28,773.01	14.09	28,787.10	26,651.47	15.14	26,666.61

*For Borrowings refer Note No.16.1, 20.1 and 20.4

6. Figures for the previous periods have been re-grouped/re-arranged/re-classified/re-stated wherever necessary.

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2023

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in crore)
As at 1st April 2022	15.1	10,045.03
Changes in Equity Share Capital due to prior period errors		-
Restated balances as at 1st April 2022	15.1	10,045.03
Change in Equity Share Capital		-
As at 31st March 2023	15.1	10,045.03

B. OTHER EQUITY

Particulars	Reserve and Surplus			Other Comprehensive Income			Total
	Capital Redemption Reserve	Bond Redemption Reserve	General Reserve	Surplus/ Retained Earnings	Debt Instruments through OCI	Equity Instruments through OCI	
Balance as at 1st April, 2022	2,255.71	1,366.25	9,724.72	9,970.45	37.20	86.74	23,441.07
Changes in accounting Policy or prior period errors	-	-	-	-	-	-	-
Restated balances as at 1st April 2022	2,255.71	1,366.25	9,724.72	9,970.45	37.20	86.74	23,441.07
Profit for the year	-	-	-	3,833.79	-	-	3,833.79
Other Comprehensive Income	-	-	-	5.15	(11.88)	3.36	(3.37)
Total Comprehensive Income for the year	-	-	-	3,838.94	(11.88)	3.36	3,830.42
Amount transferred from Bond Redemption Reserve to Surplus/Retained Earning Dividend	-	(236.95)	-	236.95	-	-	-
	-	-	-	(1,908.56)	-	-	(1,908.56)
Balance as at 31st March 2023	2,255.71	1,129.30	9,724.72	12,137.78	25.32	90.10	25,362.93

Refer Note No-15.2.1 for Disclosure on nature and purpose of Reserves.

For and on behalf of the Board of Directors

(Rajendra Prasad Goyal)

Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)

Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP

Chartered Accountants
FRN: 302137E

For P C Bindal & Co.

Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)

Partner
M. No. 088155

(S C Chaturvedi)

Partner
M. No. 012705

(Manushree Bindal)

Partner
M. No. 517316

Place: New Delhi

Date : 29th May, 2023

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2022

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in crore)
As at 1st April 2021	15.1	10,045.03
Changes in Equity Share Capital due to prior period errors		-
Restated balances as at 1st April 2021	15.1	10,045.03
Change in Equity Share Capital		-
As at 31st March 2022	15.1	10,045.03

B. OTHER EQUITY

Particulars	Reserve and Surplus			Other Comprehensive Income		
	Capital Redemption Reserve	Bond Redemption Reserve	General Reserve	Surplus/ Retained Earnings	Debt Instruments through OCI	Equity Instruments through OCI
Balance as at 1st April, 2021	2,255.71	1,641.95	9,724.72	7,853.15	45.41	81.34
Changes in accounting Policy or prior period errors	-	-	-	(44.20)	-	-
Restated balances as at 1st April 2021	2,255.71	1,641.95	9,724.72	7,808.95	45.41	81.34
Profit for the year	-	-	-	3,537.71	-	-
Other Comprehensive Income	-	-	-	15.57	(8.21)	5.40
Total Comprehensive Income for the year	-	-	-	3,553.28	(8.21)	5.40
Amount transferred from Bond Redemption Reserve to Surplus/Retained Earning Dividend	-	(275.70)	-	275.70	-	-
Balance as at 31st March 2022	2,255.71	1,366.25	9,724.72	9,970.45	37.20	86.74
Refer Note No-15.2.1 for Disclosure on nature and purpose of Reserves.						
				(1,667.48)	-	-
						(1,667.48)
Balance as at 31st March 2022	2,255.71	1,366.25	9,724.72	9,970.45	37.20	86.74
Refer Note No-15.2.1 for Disclosure on nature and purpose of Reserves.						
						23,441.07

(Rupa Deb)
Company Secretary

For and on behalf of the Board of Directors
(Rajendra Prasad Goyal)
Director (Finance)

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

As per report of even date
For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
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(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

NOTE NO. 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(I) Reporting entity

NHPC Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: L40101HR1975GOI032564). The shares of the Company are listed and traded on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange India Limited (BSE) in India. The address of the Company's registered office is NHPC Limited, NHPC Office Complex, Sector-33, Faridabad, Haryana-121003. The Company is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business in which the Company is involved includes providing project management / construction contracts/ consultancy assignment services and trading of power.

(II) Basis of preparation

(A) Statement of Compliance

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

These financial statements were authorised for issue by the Board of Directors on 29th May, 2023.

(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

The Ministry of Corporate Affairs, vide notification dated March 23, 2022 had notified the Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain Indian Accounting Standards. The summary of the major amendments and its impact on the Company are given hereunder:

(i) Ind AS 16 – Proceeds before intended use

The amendment prohibits an entity from recognising the excess of net sale proceeds of items produced over the cost of testing, in the Statement of Profit and Loss. Instead, the same shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments have no material impact on the financial statements of the Company.

(ii) Ind AS 37 – Onerous Contract – Cost of fulfilling a Contract

The amendments specify that the "Cost of fulfilling" a contract comprises the "cost that relate directly to the Contract". Cost that relate directly to the Contract are both the incremental costs of fulfilling the contract (example: direct labour, material) and allocation of other costs that relate directly to fulfilling the contract.

This amendment is essentially in the nature of a clarification and does not have any material impact on the financial statements of the Company.

(iii) Ind AS 103: Business Combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the

acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments have no material impact on the financial statements of the Company.

- (iv) Amendments/ revision in other standards are either not applicable or do not have any material impact on the financial statements.

(D) Functional and presentation currency

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

(E) Use of estimates and management judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures including contingent assets and contingent liabilities at the Balance Sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that may have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Critical judgments and estimates

a) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116- Leases. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the customer has both of the following:

- a. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- b. the right to direct the use of the identified asset.

To control the use of an identified asset, a customer is required to have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use. A customer has the right to direct the use of an identified asset throughout the period of use if the customer has the right to direct how and for what purpose the asset is used throughout the period of use.

The Company also uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for

the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease. For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on a straight-line basis over the lease term. The respective leased assets are included in the Balance Sheet based on their nature.

b) Useful life of Property, Plant and Equipment and Intangible Assets

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

Useful life of the assets used for generation of electricity is determined by the Central Electricity Regulatory Commission (CERC) Tariff Regulations as mentioned in part B of Schedule II of the Companies Act, 2013 except for construction plant and machinery and computers and peripherals which are in accordance with useful life as prescribed in Schedule II of the Companies Act, 2013 and mobile phones which are as per management assessment.

c) Recoverable amount of Property, Plant and Equipment, Capital Work in Progress and Intangible Assets

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

d) Post-retirement benefit plans

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

e) Revenue

The Company records revenue from sale of power based on Tariff approved by the CERC, as per the principles of Ind AS 115- *Revenue from Contracts with Customers*. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, where tariff is pending revision due to revision in cost estimates, tariffs are computed based on the parameters and methods prescribed under the CERC Tariff Regulations and an estimated amount of revenue is recognised when an application is made to the CERC after obtaining necessary approvals to the extent it is highly probable that there will be no downward adjustment to the revenue recognised.

f) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has been made on the basis of best judgment by management regarding probable outflow of economic resources. Such estimation can change due to unforeseeable developments.

g) Recoverable Amount of Rate Regulated Assets

The operating activities of the Company are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation

and maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the Statement of Profit and Loss in accordance with Ind AS. The Company estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations 2019-24. However, 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 and Equipment, Capital Work in Progress is based on estimates and assumptions as per terms and conditions of insurance policies.

K) Cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs)

The cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) are measured as per Management estimate.

(III) SIGNIFICANT ACCOUNTING POLICIES:

Summary of the significant accounting policies for the preparation of financial statements as given below have been applied consistently to all periods presented in the financial statements. These accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. These policies need not be applied when the effect of applying them is immaterial.

Up to March 31, 2015, Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Investment Property were carried in the Balance Sheet in accordance with Indian GAAP. The Company had elected to avail the exemption granted by IND AS 101, "First time adoption of IND AS" to regard those amounts as the deemed cost at the date of transition to IND AS (i.e., as on April 1, 2015). Therefore, the carrying amount of property, plant and equipment, Capital Work in Progress, intangible assets and Investment Property as per the previous GAAP as at April 1, 2015, were maintained on transition to Ind AS.

1.0 Property, Plant and Equipment (PPE)

- a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.
- c) Expenditure incurred on renovation and modernization of power station on completion of the originally estimated useful life of the power station is added to the cost of the related asset when it meets the recognition criteria. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.
- d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

- e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on environment management plans relatable to land in possession are treated as cost of land.
- f) Assets over which the Company has control, though created on land not belonging to the Company, are included under Property, Plant and Equipment.
- g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.
- h) Spares parts (procured along with the Plant and Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores and spares" forming part of inventory.
- i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.
- j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

2.0 Capital work in Progress (CWIP)

- a) Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.
- b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/ expenditure is adjusted directly in the cost of related assets.
- c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Investment Property

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

Transfers to or from investment property is made when and only when there is a change in use supported by evidence.

4.0 Intangible Assets and Intangible Assets under Development

- a) Expenditure on research is charged to expenditure as and when incurred. Expenditure on development is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.
- b) Intangible assets that are acquired by the Company and which have finite useful lives, are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- c) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.
- d) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.0 Foreign Currency Transactions

- a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each reporting date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.
- b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.
- c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.
- d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after April 1, 2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.
- e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Where the Company has paid or received advance consideration in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is the date when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

6.0 Regulatory Deferral Accounts

- a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e., not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."
- b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account balances."
- c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.
- d) Regulatory Deferral Account balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account balances are derecognised.
- e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

7.0 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

8.0 Investments in subsidiaries and joint ventures

Investments in equity shares of subsidiaries and joint ventures are carried at cost less impairment, if any.

9.0 Financial assets other than investment in subsidiaries and joint ventures

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual right to receive cash or another financial asset or to exchange financial asset or financial liability under conditions that are potentially favourable to the Company. A financial asset is recognized when and only when the Company becomes party to the contractual provisions of the instrument.

Financial assets of the Company comprise Cash and Cash Equivalents, Bank Balances, Investments in equity shares of companies other than in subsidiaries and joint ventures, Trade Receivables, Loan to employees, security deposit, claims recoverable etc.

a) Classification

The Company classifies its financial assets in the following categories:

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit and loss

The classification depends on the following:

- (a) The entity's business model for managing the financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses are either recorded in the Statement of Profit and Loss or under Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

b) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

The Company measures trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

c) **Subsequent measurement**

Debt instruments at amortised cost

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

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)

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

- i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments at fair value through Other Comprehensive Income are measured at each reporting date at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in other income using the EIR method.

Equity investments:

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading, if any, are classified at Fair Value through Profit or Loss (FVTPL). The Company classifies all other equity instruments at FVTOCI. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

All fair value changes of an equity instrument classified at FVTOCI, are recognized in OCI.

There is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends from such investments are recognised in the Statement of Profit and Loss as "other income" when the company's right to receive payments is established.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Trade Receivables:

Trade receivables containing a significant financing component are subsequently measured at amortised cost using the effective interest method.

d) **Derecognition**

A financial asset is derecognised only when:

- i) The Company has transferred the rights to receive cash flows from the financial asset, or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition, the difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.

e) Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- i) Financial assets that are debt instruments, and are measured at amortised cost.
- ii) Financial assets that are debt instruments and are measured as at FVTOCI
- iii) Contract Assets and Trade Receivables under Ind AS 115- *Revenue from Contracts with Customers*
- iv) Lease Receivables under Ind AS 116- *Leases*.

The Company follows the 'simplified approach' permitted under Ind AS 109, "Financial Instruments" for recognition of impairment loss allowance based on life time expected credit loss from initial recognition on contract assets, lease receivables and trade receivables resulting from transactions within the scope of Ind AS 116 and Ind AS 115.

For recognition of impairment loss on other financial assets, the Company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognize impairment loss allowance based on 12-month ECL. The amount of expected credit loss/ reversal for the period is recognized as expense/ income in the Statement of Profit and Loss.

10.0 Inventories

Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipment and are valued at cost or net realizable value (NRV) whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Scrap is valued at net realisable value.

Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) are valued at lower of cost and net realizable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs.

11.0 Dividends

Final dividends and interim dividends payable to the Company's shareholders are recognised as change in equity in the period in which they are approved by the Company's shareholders and the Board of Directors respectively.

12.0 Financial liabilities

Financial liabilities of the Company are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans and borrowings, trade and other payables.

a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying

amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

b) Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

d) Offsetting of financial instruments

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

e) Derivative financial instruments

Derivative financial instruments that are held by the Company to hedge the foreign currency and interest rate risk exposures and are not designated as hedges are accounted for at fair value through profit or loss. Changes in fair value are recognised in the Statement of Profit and Loss.

13.0 Government Grants

- a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting Policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.
- b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the company will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.
- c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

14.0 Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision net of any reimbursement is presented in the

Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

- b) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.
- c) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

15.0 Revenue Recognition and Other Income

Company's revenues arise from sale and trading of energy, project management / construction contracts/ consultancy assignment services and other income. Revenue from other income comprises interest from banks, employees, contractors etc., dividend from investments in joint ventures and subsidiary companies, dividend from investments in equity in other bodies corporate, interest from investment in bonds, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

a) Revenue from sale of power

- i) Revenue is measured at 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 (or as) the performance obligation is satisfied, which typically occurs when (or as) it transfers control over the products or services to a customer.
- ii) Revenue from sale of power (except minimum lease receipts in respect of power stations considered as Finance Lease/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 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.

e) Revenue from sale of carbon credits/ CERs/VERs

Revenue is recognized on transfer/ sale of Carbon Credits/ Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) to the extent it is highly probable that a significant reversal in the amount of revenue recognized will not occur in the future.

16.0 Employee Benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided.

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

ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trusts and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction from future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Employees Defined Contribution Superannuation Scheme (EDCSS) for providing pension benefits and Social Security Scheme administered through separate trusts are accounted for as defined contribution plans.

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Gratuity Scheme, Retired Employees Health Scheme (REHS), Provident Fund Scheme, Allowance on Retirement/Death, Memento on Superannuation to employees and Employees Family Economic Rehabilitation Scheme are in the nature of defined benefit plans. All these plans, other than Allowance on Retirement/Death, Memento on Superannuation to employees and Employees Family Economic Rehabilitation Scheme are administered through separate trusts.

The liability or asset recognised in the Balance Sheet in respect of Gratuity and Retired Employees Health Scheme is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

In respect of Provident Fund Scheme, a liability is recognised in the Balance Sheet where the present value of the defined benefit obligation at the end of the reporting period is higher than the fair value of plan assets. Any surplus of fair value of plan assets over the present value of the defined benefit obligation at the end of the reporting period is not recognised as an asset since the Company does not have any right to the benefits either in the form of refunds from the Plan or by way of lower contribution to the Plan.

The defined benefit obligation is calculated annually by the actuary using the Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion.

Remeasurement gains (except in the case of Provident Fund Scheme) and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in Other Comprehensive Income in the period in which they occur and are included in retained earnings in the Statement of Changes in Equity.

iv) Other long-term employee benefits

Benefits under the Company's leave encashment scheme constitute other long term employee benefits.

The Company's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the Projected Unit Credit Method. Contributions to the scheme and actuarial gains or losses are recognised in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the period in which they arise.

v) Termination benefits

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to the Statement of Profit and Loss in the year of incurrence of such expenses.

17.0 Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 116– 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

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

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

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

18.0 Depreciation and amortization

- a) Depreciation on additions to /deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- b)
 - (i) Depreciation on Property, Plant and Equipment of Operating Units of the Company capitalized till five years before the end of the useful life of the Power Station is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).
 - (ii) Depreciation on Property, Plant and Equipment capitalized during the last five years of the useful life of a Power Station is charged on straight-line method for the period of extended life as per CERC Tariff Regulations/Orders, from the date on which such asset becomes available for use.

- (iii) Where the life and/or efficiency of a Power Station is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively on straight-line method over the revised / remaining useful life.
- c)
 - i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0 (d).
 - ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.
- d)
 - i) Depreciation in respect of following items of PPE is provided on straight line method based on the useful life and residual value (5%) given in the Schedule II of the Companies Act, 2013:
 - Construction Plant and Machinery
 - Computer and Peripherals
 - ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of ₹ 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%.
 - iv) Based on technical assessment by management, depreciation on furniture & other equipment provided at residential office of employees is charged on straight line basis over a period of five years with residual value of 10%.
- e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining ₹ 1/- as WDV.
- f) Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which the asset becomes available for use with ₹ 1/- as WDV.
- g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing up to ₹ 750/- are not capitalized and charged off to expenditure in the year of use.
- h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.
- i) Leasehold Land and buildings, of units other than operating units, is amortized over the period of lease or 40 years, whichever is lower.
- j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.
- k) Right to use in respect of land is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.
- l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.
- m) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/ court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.
- n) Spare parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.
- o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance useful life of the asset, wherever required.

19.0 Impairment of non-financial assets other than inventories

- a) The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.
- b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.
- c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.
- d) In case a project under survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.
- e) Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

20.0 Income Taxes

Income tax expense comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax is the expected tax payable on the taxable income for the year on the basis of the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years (temporary differences) and it further excludes items that are never taxable or deductible (permanent differences).

b) Deferred tax

- i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.
- ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

- iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
- iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in Other Comprehensive Income or Equity.
- v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.
- vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.
- vii) When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognised. The effect of the uncertainty is recognised using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

21.0 Compensation from third parties

Impairments or losses of items, related claims for payments of compensation from third parties including insurance companies and any subsequent purchase or construction of assets/inventory are separate economic events and are accounted for separately.

Compensation from third parties including from insurance companies for items of property, plant and equipment or for other items that were impaired, lost or given up is included in the Statement of Profit and Loss when the compensation becomes receivable. Insurance claims for loss of profit are accounted for based on certainty of realisation.

22.0 Segment Reporting

- a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.
- b) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108.
- c) The Company has a single geographical segment as all its Power Stations are located within the Country.

23.0 Leases

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

i. Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Right of Use Assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Assessment of impairment is done using the principles of Ind AS 36- Impairment of Assets as given in Significant Accounting Policy No. 19.0 above.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or when a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the

modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as a separate line item on the face of the balance sheet.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. **Company as a lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease receipts are identified by segregating the embedded lease receipts from the contract amounts (including Advance Against Depreciation (AAD) recognised in accordance with CERC Tariff regulations 2004-09 up to 31st March 2009 and considered as deferred income). Each lease receipt is allocated between the receivable and finance lease income (forming part of revenue from operations) so as to achieve a constant rate of return on the Lease Receivable outstanding.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of Ind AS 109- Financial Instruments, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115- Revenue from Contracts with Customers to allocate the consideration in the contract.

In the case of Operating Leases or embedded operating leases, the lease income from the operating lease is recognised in revenue over the lease term to reflect the pattern of use benefit derived from the leased asset. The respective leased assets are included in the Balance Sheet based on their nature and depreciated over its economic life.

24.0 Business combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Where the fair value of net identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve. Acquisition related costs are expensed as incurred.

25.0 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting Policy prospectively from the earliest date practicable.

26.0 Earnings per share

- a) Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.
- b) Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.
- c) Basic and diluted earnings per equity share are also presented using the earnings amounts excluding the movements in regulatory deferral account balances.

27.0 Statement of Cash Flows

a) **Cash and Cash Equivalents:**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, for Balance Sheet presentation, Bank overdrafts are shown within "Borrowings" under Current Liabilities.

- b) Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7- 'Statement of Cash Flows'.

28.0 Current versus non-current classification

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

- a) An asset is current when it is:
 - Expected to be realised or intended to be sold or consumed in the normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

29.0 Miscellaneous

- a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.
- b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending transfer of ownership, inspection and acceptance by the Company.

(IV) Recent accounting pronouncements: Standards issued but not yet effective

Vide notification dated March 31, 2023, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards, and are effective from April 1, 2023. The summary of the major amendments and its impact on the Company are given hereunder:

- i) Ind AS 1 – Presentation of financial statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting Policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment on the Company's financial statements is insignificant.
- ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on the Company's financial statements.
- iii) Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on the Company's financial statements.
- iv) Amendments/ revision in other standards** (IND AS 101, IND AS 102, IND AS 103, IND AS 107, IND AS 109 and IND AS 115) are either not applicable or do not have any material impact on the Company's financial statements.

NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Addition	Deduction	Adjustment	As at	For the year	Adjustment	As at	As at	As at
	01.04.2022				31.03.2023	01.04.2022		31.03.2023	31.03.2023	31.03.2022
Land – Freehold (Refer Note 2.1.1, 2.1.2 & 2.1.3)	1,135.18	62.50	-	(690.52)	507.16	-	-	-	507.16	1,135.18
Roads and Bridges	310.37	0.75	-	(0.15)	310.97	87.36	11.60	98.96	212.01	223.01
Buildings	2,267.40	38.17	1.46	(1.06)	2303.05	562.45	79.58	641.65	1,661.40	1,704.95
Railway Sidings	13.06	-	-	-	13.06	13.06	-	13.06	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	15,811.42	12.45	-	(4.76)	15819.11	5,453.95	659.95	6,114.16	9,704.95	10,357.47
Generating Plant and Machinery	7,975.36	83.32	16.50	(3.60)	8038.58	2,707.87	341.02	3,043.56	4,995.02	5,267.49
Plant and machinery - Sub Station	55.94	2.17	0.76	0.05	57.40	17.87	2.36	19.69	37.71	38.07
Plant and machinery - Transmission Lines	71.35	2.63	0.05	-	73.93	28.30	2.86	31.13	42.80	43.05
Plant and machinery - Others	39.69	0.58	0.20	(0.30)	39.77	15.71	1.92	17.57	22.20	23.98
Construction Plant and Machinery	53.25	0.87	0.26	(2.08)	51.78	29.40	3.00	31.41	20.37	23.85
Water Supply System/Drainage and Sewerage	62.83	0.68	0.16	1.18	64.53	15.06	2.93	18.43	46.10	47.77
Electrical Installations	20.48	0.56	0.04	0.30	21.30	3.16	0.90	4.05	17.25	17.32
Vehicles	27.03	1.59	0.56	-	28.06	10.51	1.57	11.91	16.15	16.52
Aircraft/ Boats	1.97	-	0.12	0.01	1.86	0.72	0.14	0.83	1.03	1.25
Furniture and Fixtures	38.82	8.18	0.40	(0.11)	46.49	15.30	2.43	17.61	28.88	23.52
Computer and Peripherals	55.43	16.05	1.29	(0.03)	70.16	39.37	6.93	45.42	24.74	16.06
Communication Equipments	13.48	2.06	0.29	-	15.25	4.58	0.66	5.06	10.19	8.90
Office Equipments	122.80	18.45	2.04	0.50	139.71	46.64	6.92	52.64	87.07	76.16
TOTAL	28,075.86	251.01	24.13	(700.57)	27,602.17	9,051.31	1,124.77	10,167.14	17,435.03	19,024.55
Previous Year	27,102.36	1,035.16	24.46	(37.20)	28,075.86	7,927.76	1,109.73	9,051.31	19,024.55	

Note: -

2.1.1 Disclosure regarding Title deeds of Immovable Properties not held in name of the Company has been provided as **Annexure-I** to this note.

2.1.2 Adjustment in gross block under "Land Freehold" includes an amount of Rs. 690.00 Crore pertaining to Dibang Basin Project which has been reclassified under "Right of Use Assets".

2.1.3 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 into between NHPC Limited and LDHCL.

2.1.4 **Refer Note No 34(9)** of Standalone Financial Statements for information on non-current assets equitably mortgaged/hypothecated with banks as security against borrowings.

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

2.1.6 Foreign Exchange Rate Variation included in adjustments to gross block of assets are as follows: -

PARTICULARS	For the year ended 31.03.2023 (₹ in crore)	For the year ended 31.03.2022 (₹ in crore)
Roads and Bridges	(0.15)	(1.22)
Buildings	(1.09)	(8.63)
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	(4.91)	(38.73)
Generating Plant and machinery	(1.28)	(10.07)
Plant and machinery Sub station	(0.01)	(0.08)
Water Supply System/Drainage and Sewerage	(0.01)	(0.04)
Total	(7.45)	(58.77)

2.1.7 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-II** to this Note.

Annexure-I to Note 2.1:-Title deeds of Immovable Properties not held in the name of the Company on 31st March 2023:-

Relevant Line item in the Balance Sheet	Description of Item of Property	Gross Carrying Value (Rs. in Crore)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director	Property held since which date/year	Reason for not being held in the name of the Company
Property, Plant and Equipment- Land Freehold	Land (1458.45 Hectare)	6.52	Hind Sarkar (Govt. of India)	NO	Since 1987	In respect of Salal Power Station. Documents are yet to be executed in favour of Company.
	Land (7.0844 Hectare)	36.08	Various Parties	NO	27.09.2021	The land is under possession of Parbati-II HEP. Documents are yet to be executed in favour of Company.
	Land (4.69 Hectare)	6.33	Various Parties	NO	10.04.2008	In respect of Teesta-V Power Station. Documents are yet to be executed in favour of Company.
	Land (0.09 Hectare)	0.01	Prem Tshering Lepcha	NO	31.03.2000	In respect of Rangit Power Station. Present owner of the property has passed away. Execution of Title Deed is pending.
	Land (0.10 Hectare)	0.0004	Various Parties	NO	Since 1987	In respect of Salal Power Station. Documents are yet to be executed in favour of Company.
	Land (74.95 Hectare)	0.00	Govt of India 74.08 Hectare and pvt land 0.87 Hectare	NO	Since January 1978	In respect of Bairasiul Power Station. Documents are yet to be executed in favour of Company.
Total	1545.36 Hectare	48.94				

ANNEXURE-II 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	Addition	Deduction	Adjustment	As at	For the	Adjust-	As at	As at
	01.04.2022			31.03.2023	01.04.2022	year	ment	31.03.2023	31.03.2022
Land – Freehold	1,135.18	62.50	-	(690.52)	507.16	-	-	507.16	1,135.18
Roads and Bridges	402.84	0.75	-	(0.16)	403.43	179.83	11.60	191.42	223.01
Buildings	2,980.83	38.17	2.69	(1.10)	3,015.21	1,275.88	79.58	1,353.81	1,704.95
Railway Sidings	31.98	-	-	-	31.98	31.98	-	31.98	-
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	21,501.97	12.45	-	(4.41)	21,510.01	11,144.50	659.95	11,805.06	10,357.47
Generating Plant and Machinery	10,857.86	83.32	21.35	(3.52)	10,916.31	5,590.37	341.02	5,921.29	5,267.49
Plant and machinery - Sub Station	106.81	2.17	2.01	0.06	107.03	68.74	2.36	69.32	38.07
Plant and machinery - Transmission Lines	98.30	2.63	0.07	-	100.86	55.25	2.86	58.06	43.05
Plant and machinery - Others	54.87	0.58	0.81	(0.32)	54.32	30.89	1.92	32.12	23.98
Construction Plant and Machinery	106.55	0.87	0.67	(2.73)	104.02	82.70	3.00	83.65	23.85
Water Supply System/Drainage and Sewerage	72.58	0.68	0.32	1.31	74.25	24.81	2.93	28.15	47.77
Electrical Installations	21.64	0.56	0.05	0.32	22.47	4.32	0.90	5.22	17.32
Vehicles	35.64	1.59	1.08	-	36.15	19.12	1.57	20.00	16.52
Aircraft/ Boats	2.15	-	0.12	-	2.03	0.90	0.14	1.00	1.25
Furniture and Fixtures	62.45	8.18	0.62	(0.12)	69.89	38.93	2.43	41.01	23.52
Computer and Peripherals	77.12	16.05	3.29	(0.07)	89.81	61.06	6.93	65.07	16.06
Communication Equipments	18.33	2.06	0.49	-	19.90	9.43	0.66	9.71	8.90
Office Equipments	172.56	18.45	4.12	0.58	187.47	96.40	6.92	100.40	76.16
Total	37,739.66	251.01	37.69	(700.68)	37,252.30	18,715.11	1,124.77	19,817.27	19,024.55
Previous Year	36,813.80	1,035.16	49.01	(60.29)	37,739.66	17,639.20	1,109.73	18,715.11	19,024.55

Note: -

Underground works amounting to ₹ 10496.48 crore (Previous Year ₹ 10496.48 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

PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at	Addition	Deduction	Adjustment	As at	For the	As at	As at
	01.04.2021				31.03.2022	year	31.03.2022	31.03.2021
Land – Freehold (Refer Note 2.1.1 and 2.1.2)	405.40	730.10	0.05	(0.27)	1135.18	-	-	405.40
Roads and Bridges	309.01	4.00	1.15	(1.49)	310.37	11.64	87.36	232.87
Buildings	2,252.69	23.53	0.11	(8.71)	2267.40	77.71	562.45	1,767.92
Railway Sidings	13.06	-	-	-	13.06	-	13.06	-
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	15,767.74	83.87	2.55	(37.64)	15811.42	650.98	5,453.95	10,357.47
Generating Plant and Machinery	7,819.44	158.45	13.24	10.71	7975.36	338.07	2,707.87	5,466.46
Plant and machinery - Sub-Station	54.14	1.79	0.30	0.31	55.94	2.39	17.87	38.83
Plant and machinery - Transmission Lines	70.62	0.84	0.08	(0.03)	71.35	2.98	28.30	45.27
Plant and machinery - Others	39.24	0.73	0.25	(0.03)	39.69	2.11	15.71	25.49
Construction Plant and Machinery	52.32	1.43	0.50	-	53.25	3.32	29.40	26.13
Water Supply System/Drainage and Sewerage	59.06	3.94	-	(0.17)	62.83	2.50	15.06	46.50
Electrical Installations	17.14	3.39	0.05	-	20.48	0.88	3.16	14.84
Vehicles	23.30	4.22	0.49	-	27.03	1.29	10.51	13.91
Aircraft/ Boats	1.93	0.05	0.01	-	1.97	0.14	0.72	1.35
Furniture and Fixtures	37.49	1.67	0.34	-	38.82	2.07	15.30	24.12
Computer and Peripherals	49.87	7.00	1.56	0.12	55.43	6.19	39.37	15.69
Communication Equipments	13.21	0.80	0.53	-	13.48	0.60	4.58	9.00
Office Equipments	116.70	9.35	3.25	-	122.80	6.86	46.64	75.42
TOTAL	27,102.36	1,035.16	24.46	(37.20)	28,075.86	1,109.73	9,051.31	19,174.60
Previous Year	28,694.70	254.86	52.20	(1,795.00)	27,102.36	1,219.68	7,927.76	19,174.60

Note: -

2.1.1 Disclosure regarding Title deeds of Immovable Properties not held in name of the Company has been provided as **Annexure-I** to this note.

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 **Refer Note No 34(9)** of Standalone Financial Statements for information on non-current assets equitably mortgaged/hypothecated with banks as security against borrowings.

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

2.1.5 Foreign Exchange Rate Variation included in adjustments to gross block of assets are as follows: -

PARTICULARS	For the year ended 31.03.2022 (₹ in crore)	For the year ended 31.03.2021 (₹ in crore)
Roads and Bridges	(1.22)	(1.03)
Buildings	(8.63)	(7.29)
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	(38.73)	(32.76)
Generating Plant and machinery	(10.07)	(8.52)
Plant and machinery Sub station	(0.08)	(0.07)
Water Supply System/Drainage and Sewerage	(0.04)	(0.04)
Total	(58.77)	(49.71)

2.1.6 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-II** to this Note.

Annexure-I to Note 2.1:-Title deeds of Immovable Properties not held in the name of the Company on 31st March 2022:-

Relevant Line item in the Balance Sheet	Description of Item of Property	Gross Carrying Value (Rs. in Crore)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director	Property held since which date/year	Reason for not being held in the name of the Company
	Land (1458.45 Hectare)	6.52	Hind Sarkar (Govt. of India)	NO	Since 1987	In respect of Salal Power Station. Documents are yet to be executed in favour of Company.
Property, Plant and Equipment- Land Freehold	Land (7.0844 Hectare)	36.07	Various Parties	NO	27.09.2021	The land is under possession of Parbati-II HEP. Documents are yet to be executed in favour of Company.
	Land (4.69 Hectare)	6.33	Various Parties	NO	10.04.2008	In respect of Teesta-V Power Station. Documents are yet to be executed in favour of Company.
	Land (0.09 Hectare)	0.01	Prem Tshering Lepcha	NO	31.03.2000	In respect of Rangit Power Station. Present owner of the property has passed away. Execution of Title Deed is pending.
	Land (0.10 Hectare)	0.0004	Various Parties	NO	Since 1987	In respect of Salal Power Station. Documents are yet to be executed in favour of Company.
	Land (74.95 Hectare)	0.00	Govt of India 74.08 Hectare and pvt land 0.87 Hectare	NO	Since January 1978	In respect of Bairasil Power Station. Documents are yet to be executed in favour of Company.
Total	1545.36 Hectare	48.93				

ANNEXURE-II 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	Addition	Deduction	As at	For the	Adjustment	As at	As at
	01.04.2021	01.04.2021	01.04.2021	31.03.2022	year	31.03.2022	31.03.2022	31.03.2021
Land – Freehold	405.40	730.10	0.05	1,135.18	-	-	1,135.18	405.40
Roads and Bridges	402.23	4.00	1.91	402.84	11.64	(1.17)	179.83	232.87
Buildings	2,966.45	23.53	0.44	2,980.83	77.71	(0.36)	1,275.88	1,767.92
Railway Sidings	31.98	-	-	31.98	-	-	31.98	-
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	21,464.61	83.87	7.78	21,501.97	650.98	(5.69)	11,144.50	10,965.40
Generating Plant and Machinery	10,726.38	158.45	16.08	10,857.86	338.07	(7.62)	5,590.37	5,466.46
Plant and machinery - Sub-Station	105.41	1.79	0.37	106.81	2.39	(0.23)	68.74	38.83
Plant and machinery - Transmission Lines	97.59	0.84	0.10	98.30	2.98	(0.05)	55.25	45.27
Plant and machinery - Others	54.88	0.73	0.71	54.87	2.11	(0.61)	30.89	25.49
Construction Plant and Machinery	109.93	1.43	4.81	106.55	3.32	(4.42)	82.70	26.13
Water Supply System/Drainage and Sewerage	68.81	3.94	0.01	72.58	2.50	-	24.81	46.50
Electrical Installations	18.33	3.39	0.08	21.64	0.88	(0.05)	4.32	14.84
Vehicles	32.90	4.22	1.48	35.64	1.29	(1.16)	19.12	13.91
Aircraft/ Boats	2.17	0.05	0.07	2.15	0.14	(0.06)	0.90	1.35
Furniture and Fixtures	61.40	1.67	0.62	62.45	2.07	(0.42)	38.93	24.12
Computer and Peripherals	76.23	7.00	6.14	77.12	6.19	(5.67)	61.06	15.69
Communication Equipments	18.76	0.80	1.23	18.33	0.60	(0.93)	9.43	9.00
Office Equipments	170.34	9.35	7.13	172.56	6.86	(5.38)	96.40	75.42
Total	36,813.80	1,035.16	49.01	37,739.66	1,109.73	(33.82)	18,715.11	19,174.60
Previous Year	38,607.69	254.86	63.47	36,813.80	1,219.68	(719.41)	17,639.20	19,174.60

Note: -

Underground works amounting to ₹ 10496.48 crore (Previous Year ₹ 10496.48 crore), created on "Land - Right to Use" classified under Right of Use Assets, are included under the relevant heads of Property, Plant and Equipment.

Note no. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

PARTICULARS	As at 01.04.2022	Addition	Adjustment	Capitalised	As at 31.03.2023
Roads and Bridges	16.15	54.65	-	0.71	70.09
Buildings	1,101.00	397.15	(0.47)	37.59	1,460.09
Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	6,463.64	2,178.79	(0.14)	11.84	8,630.45
Generating Plant and Machinery	2,688.02	369.15	-	32.50	3,024.67
Plant and Machinery - Sub-Station	3.73	0.87	-	1.91	2.69
Plant and Machinery - Transmission Lines	3.10	0.48	-	1.74	1.84
Plant and Machinery - Others	0.73	0.53	-	0.15	1.11
Water Supply System/Drainage and Sewerage	0.23	1.32	-	0.38	1.17
Communication Equipment	-	0.21	-	0.21	-
Office Equipments	0.13	2.67	0.04	2.48	0.36
Assets awaiting Installation	11.62	32.59	(0.68)	36.45	7.08
Survey, Investigation, Consultancy and Supervision Charges	200.14	31.94	0.11	-	232.19
Expenditure Attributable to Construction (Refer Note-32 & 2.2.7)	10,910.53	1,799.27	-	1.41	12,708.39
Sub total	21,399.02	4,869.62	(1.14)	127.37	26,140.13
Less: Capital Work in Progress provided for (Refer Note 2.2.3)	962.05	2.13	-	-	964.18
Sub total (a)	20,436.97	4,867.49	(1.14)	127.37	25,175.95
Construction Stores	137.14	27.96	(25.71)	-	139.39
Less : Provisions for construction stores	0.27	0.06	-	-	0.33
Sub total (b)	136.87	27.90	(25.71)	-	139.06
TOTAL (a + b)	20,573.84	4,895.39	(26.85)	127.37	25,315.01
Previous Year	17,852.56	2,990.02	0.40	269.14	20,573.84

Note: -

2.2.1 (a) CWIP ageing schedule as on 31st March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	4,812.26	2,861.57	1,876.67	15,764.51	25,315.01
Projects temporarily Suspended	-	-	-	-	-
Total	4,812.26	2,861.57	1,876.67	15,764.51	25,315.01

2.2.1 (b) CWIP Completion Schedule as on 31st March 2023 for delayed projects

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Parbati-II	9,920.38	-	-	-	9,920.38
Subansiri Lower Project	12,357.07	1,590.10	-	-	13,947.17
Total	22,277.45	1,590.10	-	-	23,867.55

2.2.2 Expenditure attributable to Construction (EAC) includes ₹ **1270.60 Crore** (Previous year ₹ **1029.14 Crore**) towards borrowing cost capitalised during the year. (Also refer Note-32)

2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ **1293.90 Crore** (Previous Year ₹ **1234.99 Crore**) on projects under Survey & Investigation stage. Out of this, a sum of ₹ **964.21 Crore**

(Previous Year ₹ 962.02 Crore) has been provided for in respect of Bursar ₹ 226.94 Crore (Previous Year ₹ 226.80 Crore), Kotli Bhel Projects ₹ 374.12 Crore (Previous Year ₹ 372.48 Crore), Tawang Basin Projects ₹ 237.15 Crore (Previous Year ₹ 237.15 Crore), Dhauliganga Intermediate Project & Goriganga Project ₹ 82.28 Crore (Previous Year ₹ 82.07 Crore) and Subansiri Upper Projects ₹ 43.72 Crore (Previous Year ₹ 43.52 Crore) where uncertainties are attached. However, remaining amount of ₹ 329.69 Crore (Previous Year ₹ 272.97 Crore) pertaining to other projects having reasonable certainty of getting clearance, is carried forward under Capital Work in Progress (CWIP). (Also Refer Note 34(24), 34(25), 34(26) and 34(27)).

2.2.4 Underground Works amounting to ₹ 3275.45 Crore (Previous Year ₹ 2838.40 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 on non-current assets mortgaged/hypothecated with banks as security against borrowings.

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

2.2.7 Expenditure Attributable to Construction (EAC) includes ₹ 202.93 Crore (Previous Year ₹ 158.50 Crore) on account of expenses on downstream protection work in respect of Subansiri Lower Project, against which cumulative grant amounting to ₹ 78.05 Crore (up to Previous Year ₹ 74.07 Crore) has been received from Government of India. The Grant so received has been recognised under 'Other non current liabilities' (Note-19.1) and shall be amortised on a systematic basis over the useful life of the project in the Statement of Profit and Loss after commissioning of the project.

Note no. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

PARTICULARS	As at 01.04.2021	Addition	Adjustment	Capitalised	As at 31.03.2022
Roads and Bridges	8.28	11.87	0.42	4.42	16.15
Buildings	921.72	206.28	0.39	27.39	1,101.00
Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	5,581.94	962.06	(2.14)	78.22	6,463.64
Generating Plant and Machinery	2,658.90	129.46	(0.09)	100.25	2,688.02
Plant and Machinery - Sub-Station	2.41	1.74	-	0.42	3.73
Plant and Machinery - Transmission Lines	2.38	1.02	-	0.30	3.10
Plant and Machinery - Others	1.67	1.76	-	2.70	0.73
Water Supply System/Drainage and Sewerage	1.65	2.36	-	3.78	0.23
Computers	-	0.48	-	0.48	-
Office Equipments	-	0.13	0.24	0.24	0.13
Assets awaiting Installation	11.24	30.75	-	30.37	11.62
Survey, Investigation, Consultancy and Supervision Charges	182.02	18.12	-	-	200.14
Expenditure Attributable to Construction (Refer Note-32 and 2.2.7)	9,359.51	1,569.61	1.98	20.57	10,910.53
Sub total	18,731.72	2,935.64	0.80	269.14	21,399.02
Less: Capital Work in Progress provided (Refer Note 2.2.3)	954.58	7.47	-	-	962.05
Sub total (a)	17,777.14	2,928.17	0.80	269.14	20,436.97
Construction Stores	75.75	61.87	(0.48)	-	137.14
Less : Provisions for construction stores	0.33	0.02	(0.08)	-	0.27
Sub total (b)	75.42	61.85	(0.40)	-	136.87
TOTAL (a + b)	17,852.56	2,990.02	0.40	269.14	20,573.84
Previous Year	16,097.65	2,039.04	(94.12)	190.01	17,852.56

Note: -

2.2.1 (a) CWIP aging schedule as on 31st March 2022

(₹ in crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	2,896.08	1,917.55	1,247.18	14,513.03	20,573.84
Projects temporarily Suspended	-	-	-	-	-
Total	2,896.08	1,917.55	1,247.18	14,513.03	20,573.84

2.2.1 (b) CWIP Completion Schedule as on 31st March 2022 for delayed projects

(₹ in crore)

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Parbati-II	9,147.00	-	-	-	9,147.00
Subansiri Lower Project	7,189.75	3,289.47	-	-	10,479.22
Total	16,336.75	3,289.47	-	-	19,626.22

2.2.2 Expenditure attributable to Construction (EAC) includes ₹ **1029.14 Crore** (Previous year ₹ **996.87 Crore**) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**

2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ **1234.99 Crore** (Previous Year ₹ **1192.72 Crore**) on projects under Survey & Investigation stage. Out of this, a sum of ₹ **962.02 Crore** (Previous Year ₹ **954.58 Crore**) has been provided for in respect of Bursar ₹ **226.80 Crore** (Previous Year ₹ **226.78 Crore**), Kotli Bhel Projects ₹ **372.48 Crore** (Previous Year ₹ **368.72 Crore**), Tawang Basin Projects ₹ **237.15 Crore** (Previous Year ₹ **233.68 Crore**), Dhauliganga Intermediate Project & Goriganga Project ₹ **82.07 Crore** (Previous Year ₹ **81.88 Crore**) and Subansiri Upper Projects ₹ **43.52 Crore** (Previous Year ₹ **43.52 Crore**) where uncertainties are attached. However, remaining amount of ₹ **272.97 Crore** (Previous Year ₹ **238.14 Crore**) pertaining to other projects having reasonable certainty of getting clearance, is carried forward under Capital Work in Progress (CWIP). **(Also Refer Note 34(24), 34(25), 34(26) and 34(27)).**

2.2.4 Underground Works amounting to ₹ **2838.40 Crore** (Previous Year ₹ **2317.10 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 mortgaged/ hypothecated with banks as security for related borrowings.

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

2.2.7 Expenditure attributable to construction (EAC) includes ₹ **158.50 Crore** on account of expenses on downstream protection work in respect of Subansiri Lower Project, against which grant amounting to ₹ **74.07 Crore** has been received from Government of India. The Grant so received has been recognised under 'Other non current liabilities' (Note-19.1) and shall be amortised on a systematic basis over the useful life of the project in the Statement of Profit and Loss after commissioning of the project.

NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2022	Addition	Deduction Adjustment	As at 31.03.2023	For the year	Adjustment	As at 31.03.2023	As at 31.03.2022
Land – Leasehold (Refer Note 2.3.1 (a))	315.82	0.16	0.58	(0.25)		(0.34)	66.88	259.95
Building under Lease	5.08	0.14	1.95	-		(1.61)	2.52	1.44
Vehicles	9.37	1.94	2.57	-		(2.57)	3.75	4.66
Land-Right of Use (Refer Note 2.3.1(b) & 2.3.2)	1,572.45	176.00	-	688.14	11.38	(1.86)	64.90	1,517.07
TOTAL	1,902.72	178.24	5.10	687.89	24.83	(6.38)	138.05	1,783.12
Previous Year	1,846.69	55.11	1.18	2.10	24.42	1.41	119.60	1,783.12

Note:-

2.3.1 a) Disclosure regarding lease deed of Leasehold land not held in the name of the company has been provided at **Annexure-I** to this note.

b) Land- Right of use includes forest land diverted by respective State Forest Departments for use by project.

2.3.2 Adjustment in gross block under "Land Right of Use" is in respect of Land pertaining to Dibang Basin Project which has been reclassified from "Property, Plant and Equipment".

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

2.3.4 Additional disclosure of Right of use Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-II** to this Note.

Annexure-I to Note 2.3:- Title deed/Lease deed/ Mutation in respect of lease hold land not held in name of the company as on 31st March, 2023

Relevant Line item in the Balance Sheet	Description of Item of Property	Gross Carrying Value (At deemed cost) (Rs. in Crore)	Title Deeds held in the name of	Whether Title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Right of Use Assets- Land Leasehold	Land (122.93 Hectare)	140.86	Govt. of J&K under occupancy of NHPC	NO	24.03.2011	The Land in respect of Kishanganga Power Station. Documents are yet to be executed in favour of Company .
	Land (28.13 Hectare)	18.53	Govt. land	NO	2006-2011	In respect of Uri-II Power Station. Documents are yet to be executed in favour of Company.
	Land (219.56 Hectare)	6.15	Govt. land	NO	Since 1984	In respect of Dulhasti Power Station. Documents are yet to be executed in favour of Company.
	Land (70.98 Hectare)	3.37	Govt. land	NO	24.05.2021	In respect of Solar Project Ganjam. Lease agreement is under process
	Land (3.99 Hectare)	0.27	Jammu & Kashmir State Power Development Corporation Limited (JKSPDC)	NO	31.07.2003	In respect of Chutak Power Station. Documents are yet to be executed in favour of Company.
	Land (7.72 Hectare)	0.19	JKSPDC & SDM,Bani (J&K)	NO	Since 2000	In respect of Sewa-II Power Station. Matter is under regular correspondence with JKPDCC & SDM,Bani (J&K) for issuance of No Objection certificate. NOC is still awaited from concerned state department.
	Land (11.32 Hectare)	0.15	Private Land 7.87 Ha. and Govt. Land 3.45 Ha.	NO	1991-92	In respect of Uri-I Power Station. Case is pending at court/State revenue authority.
	Land (0.22 Hectare)	0.05	Govt. land	NO	30.09.2010	In respect of Nimmo Bazgo Power Station. The draft of lease deed has been provided to Tehsildar, Leh for the execution of title deed in favour of Company.
	Land (1.56 Hectare)	0.02	Govt. land	NO	1984	In respect of Chamera-I Power Station. Matter is pending before court.
	Total	466.41 Hectare	169.59			

ANNEXURE-II TO NOTE NO. 2.3 RIGHT OF USE ASSETS
Additional Disclosure of Right of Use Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2022	Addition	Deduction	Adjustment	As at 31.03.2023	As at 01.04.2022	For the Adjustment year	As at 31.03.2023	As at 31.03.2022		
Land – Leasehold	328.71	0.16	0.59	-	328.28	68.76	11.35	(0.10)	80.01	248.27	259.95
Building under Lease	5.08	0.14	1.95	-	3.27	3.64	0.49	(1.61)	2.52	0.75	1.44
Vehicles	9.37	1.94	2.57	-	8.74	4.71	1.61	(2.57)	3.75	4.99	4.66
Land-Right of Use	1,597.68	176.00	-	690.00	2,463.68	80.61	11.38	-	91.99	2,371.69	1,517.07
TOTAL	1,940.84	178.24	5.11	690.00	2,803.97	157.72	24.83	(4.28)	178.27	2,625.70	1,783.12
Previous Year	1,886.93	55.11	1.18	(0.02)	1,940.84	134.01	24.42	(0.71)	157.72	1,783.12	

NOTE NO. 2.3 RIGHT OF USE ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK				
	As at	Addition	Deduction	Adjustment	As at	For the	As at	As at			
	01.04.2021				31.03.2022	01.04.2021	31.03.2022	31.03.2022			
Land – Leasehold	311.94	4.09	0.45	0.24	315.82	44.37	11.40	0.10	55.87	259.95	267.57
(Refer Note 2.3.1 (a))											
Building under Lease	5.40	0.41	0.73	-	5.08	3.05	1.14	(0.55)	3.64	1.44	2.35
Vehicles	4.40	4.97	-	-	9.37	3.14	1.57	-	4.71	4.66	1.26
Land-Right of Use	1,524.95	45.64	-	1.86	1,572.45	43.21	10.31	1.86	55.38	1,517.07	1,481.74
(Refer Note 2.3.1(b))											
TOTAL	1,846.69	55.11	1.18	2.10	1,902.72	93.77	24.42	1.41	119.60	1,783.12	1,752.92
Previous Year	1,904.18	3.04	18.12	(42.41)	1,846.69	77.20	25.30	(8.73)	93.77	1,752.92	
Note:-											

Note:-

2.3.1 a) Disclosure regarding lease deed of Leasehold land not held in the name of the company has been provided at **Annexure-I** to this note.

b) Land- Right of use includes forest land diverted by respective State Forest Departments for use by project.

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

2.3.3 Additional disclosure of Right of use Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-II** to this Note.

Annexure-I to Note 2.3:- Title deed/Lease deed/ Mutation in respect of lease hold land not held in name of the company as on 31st March, 2022

Relevant Line item in the Balance Sheet	Description of item of Property	Gross Carrying Value (At deemed cost) (Rs. in Crore)	Title Deeds held in the name of	Whether Title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Right of Use Assets- Land Leasehold	Land (122.93 Hectare)	140.86	Govt. of J&K under occupancy of NHPC	NO	24.03.2011	The Land in respect of Kishanganga Power Station. Documents are yet to be executed in favour of Company .
	Land (28.13 Hectare)	18.53	Govt. land	NO	2006-2011	In respect of Uri-II Power Station. Documents are yet to be executed in favour of Company.
	Land (219.56 Hectare)	6.15	Govt. land	NO	Since 1984	In respect of Dulhasti Power Station. Documents are yet to be executed in favour of Company.
	Land (70.98 Hectare)	3.21	Govt. land	NO	24.05.2021	In respect of Solar Project Ganjam. Lease agreement is under process
	Land (3.99 Hectare)	0.27	Jammu & Kashmir State Power Development Corporation Limited (JKSPDC)	NO	31.07.2003	In respect of Chutak Power Station. Documents are yet to be executed in favour of Company.
	Land (7.72 Hectare)	0.19	JKSPDC & SDM,Bani (J&K)	NO	Since 2000	In respect of Sewa-II Power Station. Matter is under regular correspondence with JKPDCC & SDM,Bani (J&K) for issuance of No Objection certificate. NOC is still awaited from concerned state department
	Land (11.32 Hectare)	0.15	Private Land 7.87 Ha. and Govt. Land 3.45 Ha.	NO	1991-92	In respect of Uri-I Power Station. Case is pending at court/State revenue authority.
	Land (0.22 Hectare)	0.05	Govt. land	NO	30.09.2010	In respect of Nimmo Bazgo Power Station. The draft of lease deed has been provided to Tehsildar, Leh for the execution of title deed in favour of Company.
	Land (1.56 Hectare)	0.02	Govt. land	NO	1984	In respect of Chamera-I Power Station. Matter is pending before court.
	Land (2.72 Hectare)	0.00	Govt. land	NO	2004	In respect of Subansiri lower Project. Documents are yet to be executed in favour of Company
Total	469.13 Hectare	169.43				

Additional Disclosure of Right of Use Assets

NOTE NO. 2.4 INVESTMENT PROPERTY

2.4.1 Amounts recognised in the Statement of Profit and Loss for investment property

2.4.1 Amounts recognised in the Statement of Profit and Loss for investment property

2.4.4.2 Disclosure regarding fair value of Investment Property

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. The fair value disclosed is based on the valuation by a registered valuer as defined under rule (2) of Companies (Registered Valuers and Valuation) Rules, 2017 and considered to be level-II of fair valuation hierarchy.

NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in crore)

PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As at	Addition	Deduction Adjustment	As at	For the Adjustment	As at	As at
	01.04.2021			31.03.2022	year	31.03.2022	31.03.2021
Land – Freehold	4.49	-	-	4.49	-	-	4.49
TOTAL	4.49	-	-	4.49	-	-	4.49
Previous Year	4.49	-	-	4.49	-	-	4.49

Note:-

2.4.1 Amounts recognised in the Statement of Profit and Loss for investment property

(₹ in crore)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
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

2.4.2 Disclosure regarding fair value of Investment Property

(₹ in crore)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Fair Value of investment property	78.90	72.87

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. The fair value disclosed is based on the valuation by a registered valuer as defined under rule (2) of Companies (Registered Valuers and Valuation) Rules, 2017 and considered to be level-II of fair valuation hierarchy.

NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK			AMORTISATION		NET BLOCK	
	As at	Addition	Deduction Adjustment	As at	For the Adjustment	As at	As at
	01.04.2022			31.03.2023	year	31.03.2023	31.03.2022
Computer Software	19.82	3.58	1.67	21.73	3.46	18.65	3.11
TOTAL	19.82	3.58	1.67	21.73	3.46	18.65	3.11
Previous Year	15.59	4.23	-	19.82	4.63	16.71	3.11

Note :

2.5.1 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-I** to this Note.

ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

Additional Disclosure of Intangible Assets

PARTICULARS	GROSS BLOCK				AMORTISATION			NET BLOCK		
	As at	Addition	Deduction Adjustment	As at	As at	For the Adjustment	As at	As at		
	01.04.2022			31.03.2023	01.04.2022	year	31.03.2023	31.03.2022		
Computer Software	56.97	3.58	4.78	-	53.86	3.46	(4.63)	52.69	3.08	3.11
TOTAL	56.97	3.58	4.78	-	53.86	3.46	(4.63)	52.69	3.08	3.11
Previous Year	52.87	4.23	0.05	(0.08)	49.35	4.63	(0.12)	53.86	3.11	

NOTE NO. 2.5 INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK			
	As at	Addition	Deduction Adjustment	As at	As at	For the Adjustment	As at	As at		
	01.04.2021			31.03.2022	01.04.2021	year	31.03.2022	31.03.2021		
Computer Software	15.59	4.23	-	19.82	12.07	4.63	0.01	16.71	3.11	3.52
TOTAL	15.59	4.23	-	19.82	12.07	4.63	0.01	16.71	3.11	3.52
Previous Year	10.96	5.03	0.17	(0.23)	15.59	10.24	2.22	(0.39)	12.07	3.52

Note :

2.5.1 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-I** to this Note.

ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

Additional Disclosure of Intangible Assets

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK			
	As at	Addition	Deduction	As at	As at	For the Adjustment	As at	As at		
	01.04.2021			31.03.2022	01.04.2021	year	31.03.2022	31.03.2021		
Computer Software	52.87	4.23	0.05	(0.08)	56.97	4.63	(0.12)	53.86	3.11	3.52
TOTAL	52.87	4.23	0.05	(0.08)	56.97	4.63	(0.12)	53.86	3.11	3.52
Previous Year	48.59	5.03	0.47	(0.28)	52.87	2.22	(0.74)	49.35	3.52	

NOTE NO. 3.1 NON CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023		As at 31 st March, 2022	
	Number of shares/ bonds/ securities (in units)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Amount (₹ in Crore)
A. Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI) Bodies Corporate				
PTC India Ltd. (Fully Paid Up) (Refer note No. 3.1.1A) (Face Value of ₹ 10/- each)	12000000	102.06	12000000	98.70
Total (A)		102.06		98.70
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 (LDHCL) (Face Value of ₹ 10/- each)	105562309	105.56	103342309	103.34
- Bundelkhand Saur Urja Limited (BSUL) (Face Value of ₹ 10/- each)	86220893	86.22	84220893	84.22
- Lanco Teesta Hydro Power Limited. (LTHPL) (Face Value of ₹ 10/- each)	1724410000	1,724.41	1440500000	1,440.50
- Jalpower Corporation Limited (JPCL) (Face Value of ₹ 10/- each)	281486000	281.49	281486000	281.49
- Ratle Hydroelectric Power Corporation Limited (RHPCL) (Face Value of ₹ 10/- each)	137700000	137.70	136140000	136.14
- NHPC Renewable Energy Limited (NREL) (Face Value of ₹ 10/- each)	20000000	20.00	-	-
- Chenab Valley Power Projects Private Limited (CVPPPL) Face Value of ₹ 10/- each acquired at face value	1943311286	1,943.31	-	-
Face Value of ₹ 10/- each acquired at ₹ 10.27/- each (Refer Note 3.1.5)	4080000	4.19	-	-
Less : Impairment in the value of Investment (LDHCL) (Refer note No. 3.1.6)		105.56		-
Sub-Total B (i)		5,199.74		3,048.11
(ii) Joint Ventures (Fully Paid Up)				
- National High Power Test Laboratory (P) Limited (NHPTL) (Face Value of ₹ 10/- each)	30400000	30.40	30400000	30.40
- Chenab Valley Power Projects Private Limited (CVPPPL) Face Value of ₹ 10/- each acquired at face value	-	-	1835371286	1,835.37
Face Value of ₹ 10/- each acquired at ₹ 10.27/- each (Refer Note 3.1.5)	-	-	4080000	4.19
Less : Impairment in the value of Investment (NHPTL) (Refer note No. 3.1.6)		30.40		14.07
Sub-Total B (ii)		-		1,855.89
Total (B)=(i+ii)		5,199.74		4,904.00
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 Mar 2024 (Per Unit Value of ₹ 10000/- each)	-	-	150000	158.43

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023		As at 31 st March, 2022	
	Number of shares/ bonds/ securities (in units)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Amount (₹ in Crore)
8.20% Oil Marketing Companies GOI Special Bonds 15 Sep 2024 (Per Unit Value of ₹ 10000/- each)	12380	12.53	12380	13.12
8.28% GOI 21 Sep 2027 (Per Unit Value of ₹ 10000/- each)	57000	59.31	57000	61.82
8.26% GOI 02 Aug 2027 (Per Unit Value of ₹ 10000/- each)	17940	18.63	17940	19.39
8.28% GOI 15 Feb 2032 (Per Unit Value of ₹ 10000/- each)	35000	37.11	35000	38.20
8.32% GOI 02 Aug 2032 (Per Unit Value of ₹ 10000/- each)	34000	36.31	34000	37.17
Sub-total (a)		163.89		328.13
(b) Bonds of Public Sector Undertaking/Public Financial Institution & Corporates				
7.41% IIFCL Tax Free Bonds 15.11.2032 (Per Unit Value of ₹ 10,00,000/- each)	120	14.58	120	13.79
8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each)	100000	11.56	100000	12.23
8.48% NHA1 TAX Free Bonds 22.11.2028 (Per Unit Value of ₹ 10,00,000/- each)	473	55.13	473	57.49
Sub-total (b)		81.27		83.51
Total (C) (a+b)		245.16		411.64
Total (A+B+C)		5,546.96		5,414.34

- 3.1.1 (i)** Aggregate amount and market value of quoted investments 347.22 510.34
- 3.1.1 (ii)** Aggregate amount of unquoted investments 5,199.74 4,904.00
- 3.1.1 A** The Board of Directors of the Company in its meeting held on 6th January, 2023 accorded in-principle approval for withdrawal from PTC India Ltd. (PTC). The Company is in discussion with other promoters to finalize the modalities of exit from PTC. Pending final decision in the matter, the investment in PTC has been continued to be classified as non current financial asset.
- 3.1.2** Investment in Government Securities (Non Current and Current) at cost of ₹ 212.80 Crore (Previous Year ₹ 174.31 Crore) is earmarked as security being 15 percent of total redemption value of Bonds maturing during the Financial Year 2023-24.
- 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** Market Value of quoted debt instruments in respect of which quotations are not available has been considered based on the value published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).
- 3.1.5** A Supplementary Promoters Agreement in respect of Chenab Valley Power Projects Private Limited has been signed between NHPC & JKSPDC on 21.11.2022, consequent to which NHPC has gained control of CVPPPL. Accordingly, investment in CVPPPL has been disclosed under investment in Subsidiary.
- 3.1.6 Impairment in the value of Investment :** During the year the company has made impairment provision of ₹ 105.56 Crore (Previous Year: ₹ NIL) in respect of investment in Loktak Downstream Hydroelectric Corporation Limited (LDHCL) and ₹ 16.33 Crore (Previous Year ₹ 14.07 Crore) in respect of investment in National High Power Test Laboratory (P) Limited (NHPTL) respectively. Movement in impairment provision in respect of investment in subsidiary and joint venture are as under:

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Opening Balance	14.07	-
Addition during the year	121.89	14.07
Closing balance	135.96	14.07

NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Trade Receivables - Considered Good- Unsecured (Refer Note 3.2.1, 3.2.2 and 3.2.3)	399.45	-
Total	399.45	-

3.2.1 Ageing schedule of Non Current Trade Receivables :-

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Undisputed Trade receivables-Considered Good-Not Due	399.45	-
3.2.2 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
3.2.3 Debt due by subsidiaries/ Joint Ventures and others related parties of the company.	Nil	Nil
3.2.4 Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.		

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

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
At Amortised Cost		
A Loan to Related Party - Credit Impaired- Unsecured (Refer Note 34(8), 3.3.1, 3.3.2 and 3.3.7)	15.64	17.48
Less: Loss Allowances for doubtful loan to Related Party (Refer Note 3.3.4)	15.64	-
Sub-total	-	17.48
B Loans to Employees (including accrued interest) (Refer Note 3.3.2 and 3.3.3)		
- Considered good- Secured	178.96	137.27
- Considered good- Unsecured	35.66	59.92
Sub-total	214.62	197.19
C Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.3.5)		
- Considered good- Unsecured	875.18	802.92
Sub-total	875.18	802.92
TOTAL	1,089.80	1,017.59
3.3.1 Loan to Related Parties granted for business purpose. :-		
- National High Power Test Laboratory (P) Limited (NHPTL)	15.64	17.48
Total	15.64	17.48

Detail of Repayment: Loan amounting to ₹ 6.00 crore and Rs. 12.40 crore were released to NHPTL on dated 11.05.2018 and 31.03.2021 respectively. The loan is interest bearing at the rate of 10% per annum, compounded annually and is repayable in 20 equal half yearly instalments starting from 31.10.2022. Interest is payable half yearly on 30th April and 31st October of every financial year starting from 30.04.2021.

3.3.2 Loans and advances in the nature of loan that are repayable on demand.	Nil	Nil
Loans and advances in the nature of loan that are without specifying any terms or period of repayment.	Nil	Nil

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
3.3.3 Due from directors or other officers of the company. (Refer Note 34(8) of Standalone Financial Statements.)	Nil	0.34
3.3.4 Loss Allowances for doubtful loan to Related Party		
Addition during the year	15.64	-
Closing balance	15.64	-
The loan released in favour of NHPTL was repayable in 20 equal half-yearly instalments starting from 31.10.2022. However, considering default in repayment of interest and instalment due on 31.10.2022, the Company has recognized an impairment provision for the outstanding loan during the year.		
3.3.5 Loan to Government of Arunachal Pradesh granted for Business Purpose includes :		
- Principal	225.00	225.00
- Interest	650.18	577.92
3.3.6 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by changes in the credit risk of the counterparties.		
3.3.7 Advance due by firms or private companies in which any Director of the Company is a Director or member .	Nil	Nil
3.3.8 Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.3 above.		
3.3.9 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 31 st March, 2023	As at 31 st March, 2022
A Security Deposits		
- Considered good- Unsecured	25.33	23.19
Sub-total	25.33	23.19
B Bank Deposits with more than 12 Months Maturity (Refer Note 3.4.2)	0.35	0.35
C Lease Rent receivable (Refer Note 3.4.4 and 34(16)(C))	2,273.62	2,435.91
D Amount Recoverable on account of Bonds Fully Serviced by Government of India (Refer Note 3.4.1 and also Refer 11(I))	2,017.20	2,017.20
E Interest accrued on:		
- Bank Deposits with more than 12 Months Maturity	0.02	-
F Derivative Mark to Market Asset	0.24	22.35
G Receivable on account of Late payment Surcharge	5.64	-
H Share Application Money Pending Allotment (Refer Note 3.4.3)	224.69	3.78
TOTAL	4,547.09	4,502.78

3.4.1 Refer Note 16.3.1 in respect of amount payable towards Bonds fully serviced by Government of India.

3.4.2 Bank Deposits of more than 12 months maturity includes FDR of ₹ 0.35 Crore (Previous Year ₹ 0.35 Crore) which has been taken to provide 100% margin money for Bank Guarantee issued by the Company for obtaining electricity connection.

3.4.3 Share Application money pending allotment includes company contribution towards subscription of Share Capital in the following subsidiary companies :-

Subsidiary Company	As at 31 st March, 2023	As at 31 st March, 2022
(i) Chenab Valley Power Projects Private Limited (CVPPPL) Date of Share Allotment:- Rs.122.14 Crores- 04.04.2023 Rs.102.55 Crores-13.04.2023	224.69	-
(ii) Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (Date of Share Allotment-13 th April,2022)	-	2.22
(iii) Ratle Hydroelectric Power Corporation Limited (RHPCL) (Date of Share Allotment-1 st April,2022)	-	1.56
Total	224.69	3.78

3.4.4 Refer Note 34(9) of the Standalone Financial Statements with regard to assets mortgaged/ hypothecated as security.

3.4.5 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 31 st March, 2023	As at 31 st March, 2022
Advance Income Tax including Tax Deducted at Source	-	726.90
Less: Provision for Current Tax	-	719.74
Non Current Tax (Refer Note No-23)	30.27	2.36
Total	30.27	9.52

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in crore)		
PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A. CAPITAL ADVANCES		
- Considered good- Secured	49.27	64.07
- Considered good- Unsecured		
– Against bank guarantee	79.25	150.04
– Others	244.91	370.90
Less : Expenditure booked pending utilisation certificate	2.09	19.28
- Considered doubtful - Unsecured	6.08	6.07
Less : Allowances for doubtful advances (Refer Note 5.1)	6.08	6.07
Sub-total	371.34	565.73
B. ADVANCES OTHER THAN CAPITAL ADVANCES		
i) DEPOSITS		
- Considered good- Unsecured	50.41	51.15
Sub-total	50.41	51.15
C Interest accrued		
Others		
– Considered Good	1.86	1.44
D. Others		
i) Advance against arbitration awards towards capital works (Unsecured)		
Released to Contractors - Against Bank Guarantee	1,231.31	1,140.40

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Released to Contractors - Others	34.61	34.61
Deposited with Court	1,419.50	1,420.48
Sub-total	2,685.42	2,595.49
ii) Prepaid Expenditure	2.79	3.06
iii) Deferred Foreign Currency Fluctuation Assets/ Expenditure		
Deferred Foreign Currency Fluctuation Assets	220.22	260.15
Deferred Expenditure on Foreign Currency Fluctuation	221.66	224.43
Sub-total	441.88	484.58
iv) Deferred Cost on Employees Advances	49.07	52.51
TOTAL	3,602.77	3,753.96
5.1 Allowances for doubtful Advances		
Opening Balance	6.07	6.07
Addition during the year	0.01	-
Closing balance	6.08	6.07
5.2 Due from directors or other officers of the company. (Refer Note 34(8) of Standalone Financial Statements.)	Nil	Nil
5.3 Advances due by Firms or Private Companies in which any director of the Company is a director or member.	Nil	Nil
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 31 st March, 2023	As at 31 st March, 2022
(Valued at lower of Cost or Net Realisable Value)		
Stores and spares	147.49	130.26
Stores and spares-Stores in transit/ pending inspection	0.03	0.12
Loose tools	3.08	2.48
Scrap inventory	0.71	1.15
Carbon Credits / Certified Emission Reductions (CERs) / Verified Carbon Units (VCUs)	2.32	-
Less: Allowances for Obsolescence and Diminution in Value (Refer Note 6.1)	3.15	3.71
TOTAL	150.48	130.30
6.1 Allowances for Obsolescence and Diminution in Value		
Opening Balance	3.71	8.50
Addition during the year (Refer Note 6.1.1)	0.32	0.60
Reversed during the year (Refer Note 6.1.2)	0.88	5.39
Closing balance	3.15	3.71
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.	0.32	0.60
6.1.2 Allowances for Obsolescence and Diminution in value of inventory booked in earlier years and reversed during the year.	0.88	5.39

NOTE NO. 7.1 FINANCIAL ASSETS - CURRENT - INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)	151.35	-
Government Securities		
8.35% SBI Right Issue GOI Special Bonds 27 Mar 2024 (Refer Note 7.1.1)		
(Number of Bonds 150000 @ Face Value of ₹ 10000/- each)		
TOTAL	151.35	-
7.1.1 Refer Note 3.1.2 for earmarked security against Bonds maturing during the Financial Year 2023-24.		

NOTE NO. 7.2 CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
- Trade Receivables- Considered Good- Unsecured (Refer Note 7.2.2, 7.2.3, 7.2.4 and 7.2.7)	2,730.66	2,660.17
- Trade Receivables-Unbilled- Considered Good- Unsecured (Refer Note 7.2.2, 7.2.4, 7.2.5 and 7.2.9)	2,756.93	1,961.31
- Trade Receivables- Credit Impaired (Refer Note 7.2.2 and 7.2.4)	35.37	35.33
Less: Loss allowances for Trade Receivables (Refer Note 7.2.1)	35.37	35.33
TOTAL	5,487.59	4,621.48
7.2.1 Loss allowances for Trade Receivables		
Opening Balance	35.33	33.76
Addition during the year	0.04	3.95
Reversed during the year	-	2.38
Closing balance	35.37	35.33
7.2.2 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
7.2.3 Debt due by subsidiaries/ Joint Ventures and others related parties of the company .	11.65	17.60
7.2.4 Refer Annexure-I to Note No-7.2 for Ageing schedule of Trade Receivables.		
7.2.5 Represents receivable on account of :		
Water Usage Charges	165.53	11.32
Unbilled sale for the month of March	428.22	585.16
Revision in NAPAF for 2009-14-Sewa-II Power Station (Refer Note 7.2.9)	32.97	32.97
Impact of AFC billed and recoverable as per New Regulation 2019-24 including Security Expenses	1,871.16	1,071.80
Saving due to refinancing & Bond Issue Expenses	(21.00)	(23.22)
Tax adjustment including Deferred Tax Materialized	(99.58)	15.94
Energy Shortfall	354.32	212.20
MEA Sales	7.44	6.11
Foreign Exchange Rate Variation	31.57	44.78
Others	(13.70)	4.25
Total	2,756.93	1,961.31

- 7.2.6** Due to short-term nature of current receivables, their carrying amount is assumed to be the same as their fair value.
- 7.2.7** Trade Receivables amounting to ₹ 948.04 (Previous Year ₹ 1323.90 Crore) liquidated by way of discounting of bills from various banks have not been derecognised in view of terms of the bill discounting agreement as per which the Company guarantees to compensate the banks for credit losses that may occur in case of default by the respective beneficiaries. Refer Note 20.1.1 with regard to liability recognised in respect of discounted bills.
- 7.2.8** Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.
- 7.2.9** Central Electricity Regulatory Commission in its order dated 05.02.2020 in petition no. 281/GT/2018 allowed NAPAF of 90% for the period 2010-14 against 80% as allowed in its earlier order dated 06.09.2010 in petition No. 57/2010 with the stipulation that recovery of Incentive shall be allowed beyond 90% instead of beyond 80%. Since the said stipulation is ultra vires to the Tariff Regulations 2009-14, appeal has been filed with the Hon'ble Appellate Tribunal for Electricity (APTEL) against the review order dated 05.02.2020. Pending decision of APTEL, unbilled revenue booked in FY 2021-2022 against the incentive in respect of NAPAF beyond 80% and upto 90%, has not been reversed.

Annexure-I to Note No-7.2

As at 31st March 2023

(₹ in Crore)

Particulars	Unbilled	Not Due	Trade Receivable due and outstanding for following period from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables-Considered Good	2,756.93	1,237.82	1,399.71	18.29	30.53	24.01	20.30	5,487.59
(ii) Disputed Trade receivables-Credit Impaired	-	-	-	-	-	-	35.37	35.37
Total	2,756.93	1,237.82	1,399.71	18.29	30.53	24.01	55.67	5,522.96

As at 31st March 2022

(₹ in Crore)

Particulars	Unbilled	Not Due	Trade Receivable due and outstanding for following period from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables-Considered Good	1961.31	55.82	2,126.43	432.95	24.03	19.09	1.85	4,621.48
(ii) Disputed Trade receivables-Credit Impaired	-	-	-	-	-	-	35.33	35.33
Total	1,961.31	55.82	2,126.43	432.95	24.03	19.09	37.18	4,656.81

NOTE NO. 8 CURRENT - FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A Balances with banks		
With scheduled banks		
i) - In Current Accounts	382.66	937.78
B Cash in hand (Refer Note 8.1)	0.01	-
TOTAL	382.67	937.78
8.1 Includes stamps in hand	0.01	-

NOTE NO. 9 CURRENT - FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A Bank Deposits for original maturity more than 3 months upto 12 months (Refer Note 9.1)	101.04	86.76
B Deposit -Unpaid Dividend (Refer Note 9.2 and 9.4)	52.30	47.54
C Deposit -Unpaid Interest	87.22	87.17
D Other Earmarked Balances with Banks (Refer Note 9.3)	14.99	1.46
TOTAL	255.55	222.93
9.1 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.	84.74	86.76
(ii) held as Payment Security Fund i.e Principal and Interest thereon received under Solar 2000 MW Scheme in terms of Power Purchase Agreement Clause.	16.30	-
9.2 Includes unpaid dividend payable amounting to ₹ 22.99 Crore (Previous Year ₹ 24.64 Crore) and TDS on dividend ₹ 29.31 Crore (Previous Year ₹ 22.90 Crore).		
9.3 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.	1.45	0.87
(ii) NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.	0.61	0.59
(iii) Held for Payment of Monthly instalment on account of securitization of ROE of Chamara-I Power Station to Lender (HDFC Bank)	12.93	Nil
9.4 During the year, unpaid dividend of ₹ 3.68 Crore (Previous Year ₹ 0.80 Crore) has been paid to the Investor Education and Protection Fund. There is no amount due for payment to Investor Education and Protection Fund. (Refer Note 20.4.2)		

NOTE NO. 10 CURRENT - FINANCIAL ASSETS - LOANS

(₹ in crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
A	Loans (including interest thereon) to Related Parties - Unsecured (Refer Note 34(8), 10.1 and 10.2)		
	Loan Receivable - Considered Good	60.06	0.92
	Loan Receivable - Credit Impaired	3.18	0.42
	Less : Loss Allowances for doubtful loan to Related Party (Refer Note 10.4)	3.18	0.42
	Sub-total	60.06	0.92
B	Loans to Employees (including accrued interest) (Refer Note 10.2 and 10.3)		
	- Considered good- Secured	22.76	17.47
	- Considered good- Unsecured	31.77	37.29
	- Credit Impaired- Unsecured	0.01	0.01
	Less : Loss Allowances for doubtful Employees loans (Refer Note 10.5)	0.01	0.01
	Sub-total	54.53	54.76
	TOTAL	114.59	55.68
10.1	Loans to Related Parties (including interest thereon) granted for business purpose :-		
	- National High Power Test Laboratory (P) Limited (NHPTL) (Refer "A")	3.18	1.34
	- Lanco Teesta Hydro Power Limited (LTHPL) (Refer "B")	60.06	-
	Total	63.24	1.34
<p>(A) Detail of Repayment: Loan amounting to ₹ 6.00 crore and ₹ 12.40 crore were released to NHPTL on 11.05.2018 and 31.03.2021 respectively. The loan is interest bearing at the rate of 10% per annum, compounded annually and is repayable in 20 equal half yearly instalments starting from 31.10.2022. Interest is payable half yearly on 30th April and 31st October of every financial year starting from 30.04.2021. Above outstanding amount includes current maturity of loan ₹ 2.76 Crore and interest accrued ₹ 0.42 Crore as on 31.03.2023.</p> <p>(B) Detail of Repayment: Short Term Loan of ₹ 60.00 Crore was granted on 27.03.2023 at the rate of 8.32% per annum. Loan is repayable within one year from the date of release. The interest shall be paid on quarterly basis on 1st working day of next quarter. Outstanding amount includes interest accrued ₹ 0.06 Crore up to 31st March 2023.</p>			
10.2	Loans and advances in the nature of loan that are repayable on demand.	Nil	Nil
	Loans and advances in the nature of loan that are without specifying any terms or period of repayment.	Nil	Nil
10.3	Due from directors or other officers of the company. (Refer Note 34(8) of Standalone Financial Statements.)	0.03	0.08
10.4	Loss Allowances for doubtful loan to Related Party		
	Opening Balance	0.42	-
	Addition during the year	2.76	0.42
	Closing balance	3.18	0.42

The loan released in favour of NHPTL was repayable in 20 equal half-yearly instalments starting from 31.10.2022. However, considering default in repayment of interest and instalment due on 31.10.2022, the Company has recognized an impairment provision for the outstanding loan during the year.

10.5 Loss Allowances for doubtful Employees loans		
Opening Balance	0.01	0.01
Closing balance	0.01	0.01
10.6 Advance due by firms or private companies in which any director of the Company is a director or member .	Nil	Nil
10.7 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by changes in the credit risk of the counterparties.		
10.8 Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 10 above.		
10.9 Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.		

NOTE NO. 11 CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A Security Deposits		
- Considered good- Unsecured	1.10	0.36
Sub-total	1.10	0.36
B Amount recoverable	725.09	741.80
Less: Loss allowances for Doubtful Recoverables (Refer Note 11.1)	287.14	282.62
Sub-total	437.95	459.18
C Receivable from Subsidiaries / Joint Ventures	4.19	55.92
D Receivable on account of Late Payment Surcharge	29.56	78.71
E Lease Rent receivable (Finance Lease) (Refer Note 11.3 and 34(16)(C))	134.03	119.31
F Interest Income accrued on Bank Deposits (Refer Note 11.2)	0.47	0.68
G Interest recoverable from beneficiary	-	10.55
H Interest Accrued on Investment (Bonds)	2.53	2.53
I Amount Recoverable on account of Bonds Fully Serviced by Government of India (Refer Note 3.4(D))		
- Interest accrued	4.49	4.49
TOTAL	614.32	731.73
11.1 Loss allowances for Doubtful Recoverables		
Opening Balance	282.62	275.15
Addition during the year	5.68	9.03
Used during the year	0.12	1.38
Reversed during the year	1.04	0.18
Closing balance	287.14	282.62

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
11.2 Includes Interest accrued on balances held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.	0.38	0.60
11.3 Refer Note No. 34 (9) of the Standalone Financial Statements with regard to assets mortgaged/hypothecated as security.		
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 31 st March, 2023	As at 31 st March, 2022
Current Tax Assets		
A Advance Income Tax including Tax Deducted at Source	2,099.02	1,340.04
B Less: Provision for Current Tax	1,967.99	1,218.67
Net Current Tax Assets (A-B)	131.03	121.37
Income Tax Refundable	1.80	1.80
Total	132.83	123.17

NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A. Advances other than Capital Advances		
a) Deposits		
- Considered good- Unsecured	26.16	27.68
- Considered doubtful- Unsecured	84.89	84.89
Less : Allowances for Doubtful Deposits (Refer Note 13.1)	84.89	84.89
Sub-total	26.16	27.68
b) Advance to contractors and suppliers (Refer Note 13.7)		
- Considered good- Secured	0.12	0.38
- Considered good- Unsecured		
- Against bank guarantee	0.43	0.66
- Others	21.83	44.23
Less : Expenditure booked pending utilisation certificate	0.82	17.45
- Considered doubtful- Unsecured	45.52	45.52
Less : Allowances for doubtful advances (Refer Note 13.2)	45.52	45.52
Sub-total	21.56	27.82
c) Other advances - Employees		
- Considered good- Unsecured (Refer Note 13.6)	1.05	0.80
Sub-total	1.05	0.80
d) Interest accrued		
Others		
- Considered Good	0.75	1.67
Sub-total	0.75	1.67

(₹ in crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
B. Others			
a) Expenditure awaiting adjustment		37.06	37.06
Less: Allowances for project expenses awaiting write off sanction (Refer Note 13.3)		37.06	37.06
Sub-total		-	-
b) Losses awaiting write off sanction/pending investigation		2.71	12.32
Less: Allowances for losses pending investigation/awaiting write off / sanction (Refer Note 13.4)		2.71	12.32
Sub-total		-	-
c) Prepaid Expenditure		144.57	144.65
d) Deferred Cost on Employees Advances		11.02	11.65
e) Deferred Foreign Currency Fluctuation			
Deferred Foreign Currency Fluctuation Assets		44.02	44.02
Deferred Expenditure on Foreign Currency Fluctuation		6.36	6.36
f) Surplus / Obsolete Assets (Refer Note 13.8)		7.74	6.81
g) Goods and Services Tax Input Credit Receivable		102.34	77.24
Less: Allowances against Goods and Services Tax Input Credit Receivable (Refer Note 13.5)		84.27	44.63
Sub-total		18.07	32.61
h) Others (Mainly on account of Material Issued to Contractors)		124.67	137.07
TOTAL		405.97	441.14
13.1 Allowances for Doubtful Deposits			
Opening Balance		84.89	74.79
Addition during the year		-	10.10
Closing balance		84.89	84.89
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 project expenses awaiting write off sanction			
Opening Balance		37.06	37.06
Closing balance		37.06	37.06
13.4 Allowances for losses pending investigation/ awaiting write off / sanction			
Opening Balance		12.32	8.47
Addition during the year		-	6.28
Used during the year		9.57	2.22
Reversed during the year		0.04	0.21
Closing balance		2.71	12.32
13.5 Allowances for Goods and Services Tax Input Credit Receivable			
Opening Balance		44.63	13.54
Addition during the year		39.64	31.09
Closing balance		84.27	44.63
13.6 Due from directors or other officers of the company. (Refer Note 34(8) of Standalone Financial Statements.)		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. 14.1 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
A	Regulatory Deferral Account Balances in respect of Subansiri Lower Project		
	Opening Balance	3,470.59	3,470.59
	Closing balance	3,470.59	3,470.59
B	Wage Revision as per 3rd Pay Revision Committee		
	Opening Balance	456.38	570.58
	Adjustment during the year (through Statement of Profit and Loss) (Refer Note 31)	(462.87)	(116.53)
	Adjustment during the year (through Other Comprehensive Income) (Refer Note 30.2)	6.49	2.33
	Closing balance	-	456.38
C	Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff		
	Opening Balance	761.46	563.11
	Addition during the year (Refer Note 31)	199.36	198.35
	Closing balance	960.82	761.46
D	Exchange Differences on Monetary Items		
	Opening Balance	1.55	1.72
	Addition during the year (Refer Note 31)	1.10	(0.17)
	Closing balance	2.65	1.55
E	Adjustment against Deferred Tax Recoverable for tariff period upto 2009		
	Opening Balance	1,404.04	1,453.56
	Used during the year (Refer Note 31)	56.09	49.52
	Closing balance	1,347.95	1,404.04
F	Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards		
	Opening Balance	854.09	843.37
	Addition during the year (Refer Note 31)	1.18	10.72
	Reversed during the year (Refer Note 31)	217.16	-
	Closing balance	638.11	854.09
	Closing Balance (A+B+C+D+E+F)	6,420.12	6,948.11
	Less: Deferred Tax on Regulatory Deferral Account Balances	(8.56)	(290.28)
	Add: Deferred Tax recoverable from Beneficiaries	(8.56)	(290.28)
	Regulatory Deferral Account Balances net of Deferred Tax.	6,420.12	6,948.11

14.1.1 Refer Note 34 (18) and 34 (22) of Standalone Financial Statements for further disclosures regarding Impairment and Regulatory Deferral Account Balances.

NOTE NO. 14.2 REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
MAT Credit to be passed on to beneficiaries		
Opening Balance	1,313.27	-
Addition during the year (Refer Note 31)	125.59	1,313.27
Used during the year (Refer Note 31)	125.59	-
Reversed during the year (Refer Note 31)	390.07	-
Closing balance	923.20	1,313.27

14.2.1 Refer Note 34 (22) of Standalone Financial Statements for further disclosure regarding Regulatory Deferral Account Balances .

NOTE : 15.1 EQUITY SHARE CAPITAL

(₹ in crore)

PARTICULARS	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Shares	Amount (₹ in Crore)	No. of Shares	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 year:

PARTICULARS	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Shares	Amount (₹ in Crore)	No. of Shares	Amount (₹ in Crore)
Opening Balance	10045034805	10,045.03	10045034805	10,045.03
Closing Balance	10045034805	10,045.03	10045034805	10,045.03

15.1.2 The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time. 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 :-

Shareholders	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Shares	In (%)	No. of Shares	In (%)
- President of India	7126772676	70.95%	7126772676	70.95%
- Life Insurance Corporation of India	349142900	3.48%	704952213	7.02%

15.1.4 214285714 equity shares of ₹ 10/- each were bought back during the period of five years immediately preceding the date of Balance Sheet.

15.1.5 Shareholding of Promoters as at 31st March 2023

S.No	Promoter Name	No. of Shares	% of Total Shares	% Change during the year
	- President of India	7126772676	70.95%	NIL

15.1.6 Shareholding of Promoters as at 31st March 2022

S.No	Promoter Name	No. of Shares	% of Total Shares	% Change during the year
	- President of India	7126772676	70.95%	NIL

NOTE : 15.2 OTHER EQUITY

		(₹ in crore)	
PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
(i)	Capital Redemption Reserve		
	As per last Balance Sheet	2,255.71	2,255.71
	As at Balance Sheet date	2,255.71	2,255.71
(ii)	Bond Redemption Reserve		
	As per last Balance Sheet	1,366.25	1,641.95
	Less: Transfer to Surplus/Retained Earnings	236.95	275.70
	As at Balance Sheet date	1,129.30	1,366.25
(iii)	General Reserve		
	As per last Balance Sheet	9,724.72	9,724.72
	As at Balance Sheet date	9,724.72	9,724.72
(iv)	Surplus/ Retained Earnings		
	As per last Balance Sheet	9,970.45	7,808.95
	Add: Profit during the year	3,833.79	3,537.71
	Add: Other Comprehensive Income during the year	5.15	15.57
	Add: Transfer from Bond Redemption Reserve	236.95	275.70
	Less: Dividend (Final and Interim)	1,908.56	1,667.48
	As at Balance Sheet date	12,137.78	9,970.45
(v)	Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments		
	As per last Balance Sheet	37.20	45.41
	Add: Change in Fair value of FVTOCI (Net of Tax)	(11.88)	(8.21)
	As at Balance Sheet date	25.32	37.20
(vi)	Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments		
	As per last Balance Sheet	86.74	81.34
	Add: Change in Fair value of FVTOCI (Net of Tax)	3.36	5.40
	As at Balance Sheet date	90.10	86.74
	TOTAL	25,362.93	23,441.07

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. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

- (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. The same will be utilised as per the provisions of the Companies Act, 2013
- (iv) **Surplus/ Retained Earnings :** Surplus/ Retained earnings generally represent the undistributed profit/ amount of accumulated earnings of the company and includes remeasurement gain/ losses on defined benefit obligations.
- (v) **Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments:** The Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant debt securities are disposed off or on maturity of these instruments.
- (vi) **Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments:** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve directly to retained earnings when the relevant equity securities are disposed off.

NOTE NO. 16.1 NON CURRENT - FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)		
PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
At Amortised Cost		
A - Secured Loans		
- Bonds	13,099.23	14,517.90
- Term Loan		
- from Banks	5,313.60	2,500.00
- from Others (Financial Institutions)	-	158.00
B - Unsecured Loans		
- Bonds	996.00	-
- Term Loan		
- from Bank	853.31	930.25
- from Government of India (Subordinate Debts)	3,722.75	3,686.39
(Refer Note 16.1.2)		
- from Other (in Foreign Currency)	1,269.80	1,374.07
TOTAL	25,254.69	23,166.61

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

16.1.2 Term Loan-From Government of India (Subordinate Debts) is net of fair valuation since these loans carry interest rate which is lower than the prevailing market rate. Total Subordinate Debts outstanding as on 31.03.2023 is ₹ 4737.18 Crore (Previous Year ₹ 4760.29 Crore). This includes current maturity amounting to ₹ 23.11 Crore (Previous Year ₹ 23.11 Crore).

16.1.3 Particulars of Redemption, Repayments, Securities and Rate of Interest.

Note No. - 16.1.3

		(₹ in crore)	
16.1.3.A	Particulars of redemptions, repayments and securities	As at 31st March, 2023	As at 31st March, 2022
(A).	<u>BONDS (Non-convertible and Non-cumulative)-Secured</u>		
i)	TAX FREE BONDS- 3A SERIES (Refer Note 16.1.3.B (2&5)) (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 16.1.3.B (2&5)) (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 16.1.3.B (1&6)) (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 16.1.3.B (1&6)) (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 16.1.3.B (2&5)) (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 16.1.3.B (2&5)) (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-AC SERIES (Refer Note 16.1.3.B (12)) (6.86% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10 th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 10 equal annual instalments commencing from 12.02.2027)	1,500.00	1,500.00

(₹ in crore)

16.1.3.A Particulars of redemptions, repayments and securities		As at 31 st March, 2023	As at 31 st March, 2022
viii)	BONDS-AB SERIES (Refer Note 16.1.3.B (11)) (6.80% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 750 Crores redeemable in 5 equal annual instalments commencing from 24.04.2026).	750.00	750.00
ix)	BONDS-AA-1 SERIES (Refer Note 16.1.3.B (10)) (6.89% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual instalments commencing from 11.03.2026).	500.00	500.00
x)	BONDS-AA SERIES (Refer Note 16.1.3.B (10)) (7.13% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 11.02.2026).	1,500.00	1,500.00
xi)	BONDS-Y-1 SERIES (Refer Note 16.1.3.B (9)) (7.38% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual instalments commencing from 03.01.2026).	500.00	500.00
xii)	BONDS-Y SERIES (Refer Note 16.1.3.B (9)) (7.50% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 07.10.2025).	1,500.00	1,500.00
xiii)	TAX FREE BONDS- 1A SERIES (Refer Note 16.1.3.B (2&5)) (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
xiv)	TAX FREE BONDS- 1B SERIES (Refer Note 16.1.3.B (2&5)) (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

(₹ in crore)

16.1.3.A	Particulars of redemptions, repayments and securities	As at 31 st March, 2023	As at 31 st March, 2022
xv)	BONDS-W2 SERIES (Refer Note 16.1.3.B (8)) (7.35% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 750 Crores redeemable in 5 equal annual instalments commencing from 15.09.2023).	750.00	750.00
xvi)	BONDS-V2 SERIES (Refer Note 16.1.3.B (2)) (7.52% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 1475 Crores redeemable in 5 equal annual instalments commencing from 06.06.2023).	1,475.00	1,475.00
xvii)	BONDS-X SERIES (Refer Note 16.1.3.B (2)) (8.65% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each Redeemable in 7 equal yearly instalments). (Bond issue amount of ₹ 1500 Crores redeemable in 7 equal annual instalments commencing from 08.02.2023. As on 31.03.2023, 6 annual instalments of ₹ 214.2857143 crore each are outstanding).	1,285.71	1,500.00
xviii)	BONDS-T SERIES (Refer Note 16.1.3.B (1 and 6)) (8.50% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 1474.92 Crores redeemable in 12 equal annual instalments commencing from 12.07.2019. As on 31.03.2023, 8 annual instalments of ₹ 122.91 crore each are outstanding).	983.28	1,106.19
xix)	BONDS-R-3 SERIES (Refer Note 16.1.3.B (2)) (8.78% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10 th of face value of Bond). (Bond issue amount of ₹ 892.00 Crores redeemable in 10 equal annual instalments commencing from 11.02.2019. As on 31.03.2023, 5 annual instalments of ₹ 89.20 Crores each are outstanding).	446.00	535.20

(₹ in crore)

16.1.3.A	Particulars of redemptions, repayments and securities	As at 31 st March, 2023	As at 31 st March, 2022
xx)	BONDS-S-2 SERIES (Refer Note 16.1.3.B(6)) (8.54% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 660.00 Crores redeemable in 12 equal annual instalments commencing from 26.11.2018. As on 31.03.2023, 7 annual instalments of ₹ 55.00 crore each are outstanding).	385.00	440.00
xxi)	BONDS-W1 SERIES (Refer Note 16.1.3.B (8)) (6.91% p.a. 5 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 15.09.2018. As on 31.03.2023, NIL outstanding).	-	300.00
xxii)	BONDS-Q SERIES (Refer Note 16.1.3.B (3&7)) (9.25% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 1266.00 Crores redeemable in 12 equal annual instalments commencing from 12.03.2016. As on 31.03.2023, 4 annual instalments of ₹ 105.50 Crores each are outstanding).	422.00	527.50
xxiii)	BONDS-R-2 SERIES (Refer Note 16.1.3.B (2)) (8.85% p.a. 14 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 382.08 Crores redeemable in 12 equal annual instalments commencing from 11.02.2016. As on 31.03.2023, 4 annual instalments of ₹ 31.84 Crores each are outstanding).	127.36	159.20
xxiv)	BONDS-P SERIES (Refer Note 16.1.3.B (2, 4 & 5)) (9.00% p.a. 15 Year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly instalments). (Bond issue amount of ₹ 2000 Crores redeemable in 10 equal annual instalments commencing from 01.02.2016. As on 31.03.2023, 2 annual instalments of ₹ 200 Crores each are outstanding).	400.00	600.00

(₹ in crore)

16.1.3.A	Particulars of redemptions, repayments and securities	As at 31 st March, 2023	As at 31 st March, 2022
xxv)	BONDS-S-1 SERIES (Refer Note 16.1.3.B (6)) (8.49% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10 th of face value of Bond) (Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual instalments commencing from 26.11.2015. As on 31.03.2023, 2 annual instalments of ₹ 36.50 Crores each are outstanding).	73.00	109.50
xxvi)	BONDS-R-1 SERIES (Refer Note 16.1.3.B (2)) (8.70% p.a. 13 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 82.20 Crores redeemable in 12 equal annual instalments commencing from 11.02.2015. As on 31.03.2023, 3 annual instalments of ₹ 6.85 Crores each are outstanding).	20.55	27.40
	Total Bonds -(Secured) - including Current Maturities	14,517.90	15,679.99
	Less Current Maturities	1,418.67	1,162.09
	Total Bonds -(Secured) excluding Current Maturities (A)	13,099.23	14,517.90
(B).	TERM LOANS - From Banks (Secured)		
i)	CENTRAL BANK OF INDIA (Refer Note 16.1.3.B (2&3)) (Repayable in 92 equal monthly instalments of ₹ 10.8695652 Crore commencing from 01.05.2024 to 01.12.2031 at floating interest rate of 7.64% p.a. (Repo rate 6.25% PLUS 1.39% Spread with Quarterly reset) as on 31.03.2023).	1,000.00	500.00
ii)	J & K BANK LIMITED (Refer Note 16.1.3.B (16)) (Repayable in 108 equal monthly instalments of ₹ 5.5555556 Crore commencing from 01.04.2024 to 01.03.2033 at floating interest rate of 7.75% p.a. (Repo rate 6.50% PLUS 1.25% Spread with Quarterly reset) as on 31.03.2023).	600.00	-
iii)	HDFC BANK LIMITED (Refer Note 16.1.3.B (12, 13 & 14)) (Repayable in 92 equal monthly instalments of ₹ 21.7391304 Crore commencing from 01.03.2024 to 01.10.2031 at floating interest rate of 8.19% p.a. (3 months Treasury Bill 6.26% PLUS 1.93% Spread with Quarterly reset) as on 31.03.2023).	2,000.00	2,000.00
iv)	STATE BANK OF INDIA -1876.37 Cr. (MONETISATION OF FREE CASH OF URI-I PS) (Refer Note 16.1.3.B (15)) (Repayable in 120 monthly instalments commencing from 31.03.2023 to 28.02.2033 at floating interest rate of 8.05% p.a. (3 months MCLR i.e. 8.00% PLUS 0.05% Spread with Quarterly reset) as on 31.03.2023 and 5% of actual revenue booked by NHPC for the Power Station from sale of Secondary Energy Units for previous 12 – month period shall be paid to the Bank at the end of respective 13 - month period inclusive of the month of disbursement). (As on 31.03.2023, 119 monthly instalments are outstanding).	1,866.14	-

(₹ in crore)

16.1.3.A	Particulars of redemptions, repayments and securities	As at 31 st March, 2023	As at 31 st March, 2022
	Total TERM LOANS - Banks (Secured)	5,466.14	2,500.00
	Less Current Maturities	152.54	-
	Total TERM LOANS - Banks (Secured) (B)	5,313.60	2,500.00
(C).	Term Loan - From other (Secured)		
	LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.3.B (3&7))	158.00	316.00
	(Repayable in 2 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a.) (As on 31.03.2023, 2 half yearly instalments are outstanding).		
	Total Term Loan - Other Parties (Secured)	158.00	316.00
	Less Current Maturities	158.00	158.00
	Total Term Loan - Other Parties (Secured) (C)	-	158.00
(D)	BONDS (Non-convertible and Non-cumulative)-Unsecured BONDS AD Series-2038	996.00	-
	(7.59% p.a. 15 year Unsecured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond).		
	(Bond issue amount of ₹ 996 Crores redeemable in 12 equal annual instalments commencing from 20.02.2027).		
	Total Bonds -(Unsecured) - including Current Maturities	996.00	-
	Less Current Maturities	-	-
	Total Bonds -(Unsecured) excluding Current Maturities (D)	996.00	-
(E).	Term Loan - From Banks (Unsecured)		
	HDFC Bank Ltd. (Securitization of Return on Equity - Chamera-I PS)	936.98	1,010.01
	(Repayable in 120 monthly instalments commencing from 31.03.2022 to 29.02.2032 at floating interest rate of 7.79% p.a. (3 months Treasury Bill i.e. 6.26% PLUS 1.53% Spread with Quarterly reset) as on 31.03.2023 and 5% of Income booked by NHPC for the Power Station against sale of Secondary Energy Units for previous 12-month period shall be paid to the HDFC at the end of the next month of every 12 month period completed inclusive of the month of disbursement).		
	(As on 31.03.2023, 108 monthly instalments are outstanding).		
	Total TERM LOANS - Banks (Unsecured)	936.98	1,010.01
	Less Current Maturities	83.67	79.76
	Total TERM LOANS - (Unsecured) (E)	853.31	930.25
(F).	Term Loan-From Other parties- Government (Unsecured)		
	Loans from Govt. of India (At Fair Value)		
i)	Subordinate Debt from Govt. of India for Kishanganga HE Project	2,919.77	2,870.05
	(Repayable in 10 equal annual instalments of ₹ 377.429 Crore each in respect of undiscounted amount from the 11 th year after commissioning of the project i.e. from 24-05-2029 at fixed interest rate of 1% p.a.		

(₹ in crore)

16.1.3.A	Particulars of redemptions, repayments and securities	As at 31 st March, 2023	As at 31 st March, 2022
ii)	Subordinate Debt from Govt. of India for Nimmo-Bazgo Power Station (Repayable in 18 equal annual instalments of ₹ 29.095 Crore each in respect of undiscounted amount from the 12 th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)	438.54	433.63
iii)	Subordinate Debt from Govt. of India for Chutak Power Station (Repayable in 24 equal annual instalments of ₹ 23.11 Crore each from the 6 th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.) (As on 31.03.2023, 19 annual instalments of ₹ 23.11 Crores each are outstanding).	387.55	405.82
	Total Term Loan -Government (Unsecured)	3,745.86	3,709.50
	Less Current Maturities	23.11	23.11
	Total Term Loan - Other Parties (Unsecured) (F)	3,722.75	3,686.39
(G).	TERM LOANS - From Others- Foreign Currency (Unsecured)		
i)	Japan International Cooperation Agency Tranche-I (Refer Note 16.1.3.B(15)) (Repayable in 6 equal half yearly instalments of ₹ 7.58 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2023)	45.48	60.80
ii)	Japan International Cooperation Agency Tranche-II (Refer Note 16.1.3.B(15)) (Repayable in 10 equal half yearly instalments of ₹ 24.86 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2023)	248.65	299.19
iii)	Japan International Cooperation Agency Tranche-III (Refer Note 16.1.3.B(15)) (Repayable in 22 equal half yearly instalments of ₹ 18.37 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2023)	404.05	441.98
iv)	MUFG Bank Limited, Singapore (Repayable in one installment bullet on 25.07.2024 at 6 monthly compounded reference rate interest (CAS + Tona + 0.75%). The loan is hedged at coupon only swap fixed rate of 0.931 % p.a. & and call spread coupon fixed rate of 6.25% p.a. with JPY strike price of Rs. 0.90.)	673.24	674.00
	Total Term Loan-Other Parties-Foreign Currency (Unsecured)	1,371.42	1,475.97
	Less Current Maturities	101.62	101.90
	Term Loan - Other Parties- Foreign Currency (Unsecured) (G)	1,269.80	1,374.07
	TOTAL (A+B+C+D+E+F+G)	25,254.69	23,166.61

16.1.3.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 Uri-I Power Station situated in the union territory of Jammu & Kashmir.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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 Power Station 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 union territory of Jammu & Kashmir.
9. Security creation by pari-passu charge by way of 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 union territory of J & K.
10. Security creation by pari-passu charge, by way of 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.
11. Security creation by pari-passu charge by way of mortgage/hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Chamera- II Project situated in the state of Himachal Pradesh .
12. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh.
13. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's TLDP-IV Power Station situated in the state of West Bengal.
14. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's URI-II Power Station situated in the union territory of Jammu & Kashmir.
15. Security creation by First pari-passu charge by way of hypothecation against the Fixed assets (Present and Future) of the Company.
16. Security creation by pari-passu charge by way of hypothecation against the immovable structures of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh such as buildings, Dam, Power Tunnel, Tail Race Tunnel and other structures /erections/constructed/ to be constructed.

NOTE NO. 16.2 NON CURRENT - FINANCIAL LIABILITIES - LEASE LIABILITIES

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Lease Liabilities (Refer Note 34(16)(A))	11.70	12.88
TOTAL	11.70	12.88

NOTE NO. 16.3 NON CURRENT - FINANCIAL LIABILITIES - OTHERS

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Payable towards Bonds Fully Serviced by Government of India (Refer Note 16.3.1)		
- Principal	2,017.20	2,017.20
Retention Money	115.66	70.84
Payable for Late Payment Surcharge	1.45	-
Derivative MTM Liability	8.76	-
TOTAL	2,143.07	2,088.04

16.3.1 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 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. Further, 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
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NOTE NO. 17 NON CURRENT - PROVISIONS

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A. PROVISION FOR EMPLOYEE BENEFITS		
i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)		
As per last Balance Sheet	25.87	6.85
Additions during the year	4.24	19.60
Amount used during the year	1.93	0.58
Closing Balance	28.18	25.87

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
B. OTHERS		
i) Provision For Committed Capital Expenditure		
As per last Balance Sheet	1.41	1.37
Amount used during the year	0.66	0.10
Amount reversed during the year	0.11	-
Unwinding of discount	0.10	0.14
Closing Balance	0.74	1.41
ii) Provision For Livelihood Assistance		
As per last Balance Sheet	19.70	19.09
Additions during the year	1.06	0.23
Amount used during the year	0.32	-
Unwinding of discount	0.49	0.38
Closing Balance	20.93	19.70
iii) Provision-Others		
As per last Balance Sheet	1.07	1.07
Closing Balance	1.07	1.07
TOTAL	50.92	48.05
17.1 Information about nature and purpose of Provisions is given in Note 34 (21) of Standalone Financial Statements.		

NOTE NO. 18 NON CURRENT - DEFERRED TAX LIABILITIES (NET)

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Deferred Tax Liability		
a) Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	4,052.85	4,049.40
b) Financial Assets at FVTOCI	19.09	22.69
c) Other Items	(3.10)	2.24
Deferred Tax Liability	4,068.84	4,074.33
Less:-Set off Deferred Tax Assets pursuant to set off provisions		
a) Provision for employee benefit scheme, doubtful debts, inventory and others	494.46	437.67
b) Other Items	70.05	57.30
c) MAT credit entitlement (Refer Note 18.2)	1,566.99	1,478.62
Deferred Tax Assets	2,131.50	1,973.59
Deferred Tax Liability (Net)	1,937.34	2,100.74

18.1 Movement in Deferred Tax Liability/ (Assets) is given as Annexure to Note 18.1**18.2 Detail of MAT Credit Entitlement :-**

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Opening Balance	1478.62	-
Add: Recognised during the year	417.31	1478.62
Less: Utilised during the year	328.94	-
Closing Balance	1566.99	1478.62

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 concessional rates by foregoing certain exemptions/ deductions (the new tax regime) as specified in the said section. The Company has Minimum Alternate Tax (MAT) credit of ₹ 2095.64 Crore (including unrecognised amount of MAT Credit of ₹ 528.65 Crore) lying unutilized as on 31st March, 2023 [Previous year ₹ 2424.58 Crore (including unrecognised amount of MAT Credit of ₹ 945.96 Crore)] and is availing tax deductions in respect of its profit from generation of power from certain power stations. In view of the same, 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. **(Refer Note 30.1.5)**

18.4 Refer Note 14.2 and 34(22) of Standalone Financial Statements for RDA (Credit) balances created against MAT Credit recognised.

ANNEXURE TO NOTE NO. 18.1

Financial Year 2022-23

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 1 st April 2022	4,049.40	22.69	2.24	4,074.33
Charge/(Credit)				
-to Statement of Profit and Loss	3.45	-	(3.30)	0.15
-to Other Comprehensive Income	-	(3.60)	(2.04)	(5.64)
At 31 st March 2023	4,052.85	19.09	(3.10)	4,068.84

Movement in Deferred Tax Assets

(₹ in crore)				
PARTICULARS	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	MAT credit entitlement	Total
At 1 st April 2022	437.67	57.30	1,478.62	1,973.59
(Charge)/Credit				
-to Statement of Profit and Loss	56.79	10.31	88.37	155.47
-to Other Comprehensive Income	-	2.44	-	2.44
At 31 st March 2023	494.46	70.05	1,566.99	2,131.50

Financial Year 2021-22

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 1 st April 2021	4,012.53	25.19	(0.05)	4,037.67
Charge/(Credit)				
- to Statement of Profit and Loss	36.87	(1.38)	2.29	37.78
- to Other Comprehensive Income	-	(1.12)	-	(1.12)
At 31 st March 2022	4,049.40	22.69	2.24	4,074.33

Movement in Deferred Tax Assets				(₹ in crore)
PARTICULARS	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	MAT credit entitlement	Total
At 1 st April 2021	411.79	36.52	-	448.31
(Charge)/Credit				
- to Statement of Profit and Loss	25.88	20.78	1,478.62	1,525.28
- to Other Comprehensive Income				-
At 31 st March 2022	437.67	57.30	1,478.62	1,973.59

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

			(₹ in crore)
PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022	
Income received in advance-Advance Against Depreciation	736.88	787.84	
Deferred Income from Foreign Currency Fluctuation Account	38.71	40.13	
Grants in aid-from Government-Deferred Income (Refer Note 19.1)	1,168.97	1,198.19	
TOTAL	1,944.56	2,026.16	
19.1 GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME			
Opening Balance (Current and Non Current)	1,231.39	1,190.52	
Add: Received during the year	3.98	74.07	
Less: Transferred to Statement of Profit and Loss (Refer Note 24.2)	33.20	33.20	
Closing Balance (Current and Non Current) (Refer Note 19.1.1)	1,202.17	1,231.39	
Grants in Aid-from Government-Deferred Income (Current)-(Refer Note No-21)	33.20	33.20	
Grants in Aid-from Government-Deferred Income (Non-Current)	1,168.97	1,198.19	
19.1.1 Grant includes:-			
(i) Fair value gain on Subordinate Debts received from Government of India for Chutak Power Station, Nimmoo Bazgo Power Station and Kishanganga Power Station accounted as Grant In Aid.	1,103.02	1,135.17	
(ii) Funds (Grant-in-Aid) received from Government of India for Downstream Protection Measures in respect of Subansiri Lower HE Project.	78.05	74.07	
(iii) Grant-in-Aid received from Government of India through Solar Energy Corporation of India (SECI) for setting up 50 MW Solar Power Project in Tamil Nadu and Funds (Grant in Aid) received from Government of India for setting up rooftop Solar Power Plant.	21.10	22.15	
TOTAL	1,202.17	1,231.39	

NOTE NO. 20.1 CURRENT - FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A Other Loans		
From Bank-Secured (Refer Note 20.1.1)	948.04	1,323.90
B Current maturities of long term debt (Refer Note 20.1.2)		
- Bonds-Secured	1,418.67	1,162.09
- Term Loan -Banks-Secured	152.54	-
- Term Loan -Financial Institutions-Secured	158.00	158.00
- Term Loan -Banks-Unsecured	83.67	79.76
- Unsecured-From Government (Subordinate Debts)	23.11	23.11
- Other-Unsecured (in Foreign Currency)	101.62	101.90
Sub Total (B)	1,937.61	1,524.86
TOTAL	2,885.65	2,848.76

20.1.1 Secured loan from Bank amounting to ₹ 948.04 Crore (Previous Year ₹ 1323.90 Crore) is towards amount payable to banks by beneficiaries on account of bills discounted with recourse against trade receivables. Refer Note 7.2.7 on continuing recognition of trade receivables liquidated by way of bill discounting.

20.1.2 Details of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Note No-16.1.3

NOTE NO. 20.2 CURRENT - FINANCIAL LIABILITIES - LEASE LIABILITIES

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Current maturities of Lease Liabilities (Refer Note 34(16)(A))	2.39	2.27
TOTAL	2.39	2.27

NOTE NO. 20.3 CURRENT - FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer Note 20.3.1)	37.12	23.12
Total outstanding dues of Creditors other than micro enterprises and small enterprises	178.33	166.45
TOTAL	215.45	189.57

20.3.1 Disclosure regarding Micro, Small and Medium Enterprise :-

Outstanding Liabilities towards Micro, Small and Medium Enterprise

Disclosure of amount payable to Micro and Small Enterprises is based on the information available with the Company regarding the status of suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Additional disclosure as required under Section 22 of the Act is given under Note No.34(15) of Standalone Financial Statements.

20.3.2 Refer Annexure-I to Note No-20.3 for Ageing schedule of Trade Payables.

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

ANNEXURE-I TO NOTE NO-20.3

As at 31st March 2023

(₹ in crore)

PARTICULARS	Unbilled	Not Due	Trade Payables due and outstanding for following period from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	13.45	18.84	4.75	-	-	-	37.04
(ii) Others	55.36	22.01	88.45	6.16	3.54	2.81	178.33
(iii) Disputed dues-MSME	0.03	0.05	-	-	-	-	0.08
Total	68.84	40.90	93.20	6.16	3.54	2.81	215.45

As at 31st March 2022

(₹ in crore)

PARTICULARS	Unbilled	Not Due	Trade Payables due and outstanding for following period from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	7.69	-	13.94	1.04	0.25	0.11	23.03
(ii) Others	31.03	3.61	100.57	9.68	6.27	15.29	166.45
(iii) Disputed dues-MSME	-	-	0.04	-	0.05	-	0.09
Total	38.72	3.61	114.55	10.72	6.57	15.40	189.57

NOTE NO. 20.4 CURRENT - OTHER FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Liability against capital works/supplies other than Micro and Small Enterprises	512.74	399.43
Liability against capital works/supplies-Micro and Small Enterprises (Refer Note 20.4.1)	10.22	6.59
Liability against Corporate Social Responsibility	12.67	10.54
Interest accrued but not due on borrowings	632.67	636.10
Payable towards Bonds Fully Serviced by Government of India - Interest (Refer Note 16.3.1 and 11(I))	4.49	4.49
Earnest Money Deposit/ Retention Money	276.39	233.65
Due to Subsidiaries (Refer Note 34(8))	4.72	2.99
Unpaid dividend (Refer Note 20.4.2)	22.99	24.64
Unpaid interest (Refer Note 20.4.2)	0.60	0.54
Payable for Late Payment Surcharge	0.83	-
Payable to Employees	35.17	26.68
Payable to Others	27.56	25.07
TOTAL	1,541.05	1,370.72

20.4.1 Disclosure regarding Micro, Small and Medium Enterprise :-

Outstanding Liabilities towards Micro, Small and Medium Enterprise	10.43	7.41
Outstanding Interest towards Micro, Small and Medium Enterprise	-	-

Disclosure of amount payable to Micro and Small Enterprises is based on the information available with the Company regarding the status of suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Additional disclosure as required under Section 22 of The Act is given under Note No. 34(15) of Standalone Financial Statements.

20.4.2 "Unpaid Dividend" and "Unpaid Interest" includes the amounts which have not been claimed by the investors/holders of the equity shares/bonds. During the year, unpaid dividend of ₹ 3.68 Crore (Previous Year ₹ 0.80 Crore) has been paid to the Investor Education and Protection Fund. There is no amount due for payment to Investor Education and Protection Fund. **(Refer Note 9.4)**

20.4.3 Refer Note No. 34(13) of the Standalone Financial Statements with regard to confirmation of balances.

NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in crore)		
PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Income received in advance (Advance against depreciation)	48.80	48.25
Deferred Income from Foreign Currency Fluctuation Account	1.42	1.42
Water Usage Charges Payables	243.82	103.42
Statutory dues payable	188.25	138.80
Contract Liabilities-Deposit Works	84.64	6.30
Contract Liabilities-Project Management/ Consultancy Work	106.38	112.54
Advance from Customers and Others	28.40	66.77
Grants in aid-from Government-Deferred Income (Refer Note No-19.1)	33.20	33.20
TOTAL	734.91	510.70

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

NOTE NO. 22 CURRENT - PROVISIONS

(₹ in crore)		
PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A. PROVISION FOR EMPLOYEE BENEFITS		
i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)		
As per last Balance Sheet	1.76	1.08
Additions during the year	0.07	1.77
Amount used during the year	-	1.09
Closing Balance	1.83	1.76
ii) Provision for Performance Related Pay/Incentive		
As per last Balance Sheet	263.93	446.28
Additions during the year	221.49	233.85
Amount used during the year	232.53	384.34
Amount reversed during the year	28.13	31.86
Closing Balance	224.76	263.93
Less: Advance Paid	0.95	0.39
Closing Balance Net of Advance	223.81	263.54

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
B. OTHERS		
i) Provision For Tariff Adjustment		
As per last Balance Sheet	148.04	109.16
Additions during the year	-	25.64
Adjustment	-	22.71
Amount used during the year	135.06	-
Amount reversed during the year	-	9.47
Closing Balance	12.98	148.04
ii) Provision For Committed Capital Expenditure		
As per last Balance Sheet	75.89	98.69
Additions during the year	96.68	0.10
Amount used during the year	22.35	22.90
Closing Balance	150.22	75.89
iii) Provision for Restoration expenses of Insured Assets		
As per last Balance Sheet	85.17	148.18
Additions during the year	26.01	21.02
Amount used during the year	44.23	82.64
Amount reversed during the year	0.98	1.39
Closing Balance	65.97	85.17
iv) Provision For Livelihood Assistance		
As per last Balance Sheet	13.52	16.18
Additions during the year	0.89	0.17
Amount used during the year	2.89	2.88
Amount reversed during the year	0.04	-
Unwinding of discount	0.08	0.05
Closing Balance	11.56	13.52
v) Provision in respect of arbitration award/ court cases		
As per last Balance Sheet	331.77	368.45
Additions during the year	705.89	6.26
Amount used during the year	0.34	27.26
Amount reversed during the year	-	15.68
Closing Balance	1,037.32	331.77
vi) Provision - Others		
As per last Balance Sheet	216.06	158.05
Additions during the year	62.93	100.11
Adjustment	-	(22.71)
Amount used during the year	102.48	18.93
Amount reversed during the year	17.97	0.46
Closing Balance	158.54	216.06
TOTAL	1,662.23	1,135.75

22.1 Information about nature and purpose of Provisions is given in Note 34 (21) of Standalone Financial Statements.

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Current Tax Liability as per last Balance Sheet	725.73	716.74
Additions during the year	760.72	725.73
Amount adjusted during the year	(725.73)	(716.74)
Closing Balance of Current Tax Liability (A)	760.72	725.73
Less: Current Advance Tax including Tax Deducted at Source (B)	790.99	728.09
Net Current Tax Liabilities (A-B)	(30.27)	(2.36)
(Disclosed under Note No-4 above)	30.27	2.36
TOTAL	-	-

NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Operating Revenue		
A SALES (Refer Note 24.1.1 and 24.1.3)		
Sale of Power	7,790.67	6,815.67
Advance Against Depreciation -Written back during the year	50.42	48.25
Performance based Incentive	675.68	750.28
Sub-total (i)	8,516.77	7,614.20
Less :		
Sales adjustment on account of Foreign Exchange Rate Variation	32.47	44.02
Tariff Adjustments (Refer Note 24.1.2)	-	34.70
Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction) (Refer Note 32)	45.72	53.81
Rebate to customers	33.93	30.12
Sub-total (ii)	112.12	162.65
Sub - Total (A) = (i-ii)	8,404.65	7,451.55
B Income from Finance Lease (Refer Note 34(16)(B))	327.80	344.95
C Income from Operating Lease (Refer Note 34(16)(C) & 24.1.5)	392.40	384.07
D Revenue From Contracts, Project Management and Consultancy Works		
Contract Income	-	0.02
Revenue from Project management/ Consultancy works	60.94	46.14
Sub - Total (D)	60.94	46.16
E Revenue from Power Trading		
Trading Margin (Refer Note 24.1.4)	4.60	0.27
Sub - Total (E)	4.60	0.27
Sub-Total-I (A+B+C+D+E)	9,190.39	8,227.00
F OTHER OPERATING REVENUE		
Income From Sale of Self Generated VERs/REC	-	52.70
Income on account of generation based incentive (GBI)	3.68	3.61
Interest from Beneficiary States -Revision of Tariff	122.27	25.91
Sub-Total-II	125.95	82.22
TOTAL (I+II)	9,316.34	8,309.22

(₹ in crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
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.	86.20	76.13
(ii) Earlier year sales.	532.55	288.68
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.	-	34.70
24.1.3 Amount of unbilled revenue included in Sales.	1,528.81	1,184.50
24.1.4 Trading Margin in respect of Power Trading Business :-		
(i) Sale of Power (Net of Rebate)	260.04	44.85
(ii) Purchase of Power (Net of Rebate)	(255.44)	(44.58)
Net Trading margin	4.60	0.27
24.1.5 Power Purchase Agreement (PPA) in respect of 50 MW Wind Power Project, Jaisalmer with Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) is pending for renewal/ extension w.e.f 01.04.2019. However, power is being supplied to the beneficiary, being a must run power plant. The matter regarding renewal/ extension of PPA is sub-judice in Hon'ble High Court of Rajasthan, Jaipur since tariff of ₹ 2.44 per kWh offered by the Rajasthan Renewable Energy Corporation Limited was not acceptable to the Company. Pending decision of the Hon'ble High Court, net revenue from sale of power from the plant w.e.f. 01.04.2019 is being recognized at the pooled cost of power determined by the Rajasthan Electricity Regulatory Commission (RERC) which is ₹ 3.14 per kWh.		

NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
A) Interest Income		
- Investments carried at FVTOCI- Non Taxable	5.66	5.67
- Investments carried at FVTOCI- Taxable	25.86	25.82
- Loan to Government of Arunachal Pradesh	72.26	66.30
- Deposit Account	43.23	28.81
- Employee's Loans and Advances (Net of Rebate)	27.23	29.00
- Advance to contractors	12.23	17.34
- Unwinding of Fair Value Loss on Financial Assets	63.87	-
- Others	2.89	0.19
B) Dividend Income		
- Dividend from subsidiaries [Refer Note 34(8)]	369.89	292.71
- Dividend - Others	6.96	9.00
C) Other Non Operating Income (Net of Expenses directly attributable to such income)		
Late payment surcharge	53.41	229.00
Realization of Loss Due To Business Interruption (Refer Note 34(23))	42.14	161.86
Income from Insurance Claim	19.33	21.34

(₹ in crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Liabilities/ Impairment Allowances/ Provisions not required written back (Refer Note 24.2.1)	32.01	28.56
Material Issued to contractor		
(i) Sale on account of material issued to contractors	258.04	255.19
(ii) Less: Cost of material issued to contractors on recoverable basis	(450.36)	(421.41)
(iii) Net: Adjustment on account of material issued to contractor	192.32	166.22
Amortization of Grant in Aid (Refer Note 19.1)	33.20	33.20
Exchange rate variation (Net)	0.50	49.28
Mark to Market Gain on Derivative	-	4.14
Others	43.81	45.38
Sub-total	854.48	1,047.60
Less: Transferred to Expenditure Attributable to Construction	19.09	20.97
Less: Transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	0.83	0.45
Total	834.56	1,026.18
24.2.1 Detail of Liabilities/Impairment Allowances/Provisions not required written back		
a) Allowances for Obsolescence & Diminution in Value of Inventories	0.87	5.37
b) Loss allowances for trade receivables	-	2.38
c) Loss allowances for doubtful recoverables	1.04	0.18
d) Allowances for losses pending investigation/awaiting write off / sanction	0.04	0.21
e) Provision for Restoration expenses of Insured Assets	0.98	1.38
f) Provision in respect of arbitration award/ court cases	-	15.68
g) Others	29.08	3.36
TOTAL	32.01	28.56

NOTE NO. 25 GENERATION EXPENSES

(₹ in crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Water Usage Charges	916.77	823.21
Consumption of stores and spare parts	20.79	18.18
Sub-total	937.56	841.39
Less: Transferred to Expenditure Attributable to Construction	1.10	0.15
Total	936.46	841.24

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Salaries and Wages	1,285.71	1,334.57
Contribution to provident and other funds (Refer Note 26.2 and 26.4)	218.30	292.71
Staff welfare expenses	94.44	96.08
Sub-total	1,598.45	1,723.36
Less: Transferred to Expenditure Attributable to Construction	297.10	282.58
Total	1,301.35	1,440.78

26.1 Disclosure about leases towards residential accomodation for employees are given in Note 34 (16) (A) of Standalone Financial Statements.

(₹ in crore)

26.2 Contribution to provident and other funds include contributions:	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
i) Towards Employees Provident Fund	83.13	130.71
ii) Towards Employees Defined Contribution Superannuation Scheme	102.29	104.16
26.3 Salary and wages includes expenditure on short term leases as per IND AS-116 "Leases".	0.18	0.26

26.4 "The Employees' Provident Funds and Miscellaneous Provisions Act, 1952" requires the Company to reimburse the Provident Fund Trust in case of any any loss to the Trust. Contribution towards EPF includes ₹ 1.20 Crore (Previous year ₹ 12.76 Crore) being interest overdue on certain investments of the trust which has become impaired. Previous year figures also includes ₹ 36.24 Crore paid to the trust towards the principal amount of these investments.

26.5 Employee benefit expenditure includes an amount of ₹ 9.37 Crore (Previous year ₹ 7.02 Crore) in respect of employees engaged in R&D Activities of the Company.

NOTE NO. 27 FINANCE COSTS

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
A Interest on Financial Liabilities at Amortized Cost		
Bonds	1,208.19	1,289.19
Term loan	322.36	51.47
Foreign loan	18.78	23.47
Government of India loan	70.16	70.73
Short Term Loan	2.82	5.40
Lease Liabilities	1.11	1.11
Unwinding of discount-Government of India Loan	59.48	55.22
Sub-total	1,682.90	1,496.59
B Other Borrowing Cost		
Call spread/ Coupon Swap	44.50	43.91
Bond issue/ service expenses	1.28	1.16
Guarantee fee on foreign loan	9.62	11.62
Other finance charges	1.40	0.66
Unwinding of discount-Provision & Financial Liabilities	7.06	4.45
Sub-total	63.86	61.80

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
C Interest on Income Tax	-	2.50
Total (A + B + C)	1,746.76	1,560.89
Less: Transferred to Expenditure Attributable to Construction	1,270.60	1,029.14
Total	476.16	531.75

NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Depreciation -Property, Plant and Equipment	1,124.77	1,109.73
Depreciation-Right of use Assets	24.83	24.42
Amortization -Intangible Assets	3.46	4.63
Depreciation adjustment on account of Foreign Exchange Rate Variation (Refer Note 19 and 5(D)(iii))	8.81	4.95
Sub-total	1,161.87	1,143.73
Less: Transferred to Expenditure Attributable to Construction	16.43	17.51
Total	1,145.44	1,126.22

NOTE NO. 29 OTHER EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
A. REPAIRS AND MAINTENANCE		
- Building	73.86	66.10
- Machinery	86.96	71.41
- Others	172.30	162.21
B. OTHER EXPENSES		
Rent (Refer Note 29.3)	13.44	15.61
Hire Charges	42.30	31.77
Rates and taxes	18.06	15.95
Insurance	243.55	264.78
Security expenses	445.33	412.86
Electricity Charges	49.30	42.54
Travelling and Conveyance	21.00	13.11
Expenses on vehicles	7.73	6.48
Telephone, telex and Postage	17.27	15.32
Advertisement and publicity	10.72	4.24
Entertainment and hospitality expenses	1.05	0.85
Printing and stationery	3.70	3.53
Consultancy charges - Indigenous	18.66	11.03
Audit expenses (Refer Note 29.2)	2.42	2.02
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	0.63	0.33
Expenses on work of downstream protection works (Refer Note 29.5)	44.43	158.50

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Expenditure on land not belonging to company	51.36	14.68
Loss on Assets (Net)	1.36	12.55
Losses out of insurance claims	33.83	21.77
Donations	2.00	1.00
Corporate Social Responsibility (Refer Note 34(14))	127.31	105.29
Directors' Sitting Fees	0.48	0.14
Interest on Arbitration/Court Cases	0.15	-
Interest to beneficiary	48.55	33.92
Expenditure on Self Generated VER's/REC	-	8.04
Training Expenses	9.51	4.21
Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/ IEX/PXIL	10.81	9.70
Operational/Running Expenses of Kendriya Vidyalay	7.56	7.62
Operational/Running Expenses of Other Schools	0.40	0.35
Operational/Running Expenses of Guest House/Transit Hostel	25.41	22.22
Operating Expenses of DG Set-Other than Residential	8.32	7.03
Fair Value Loss on Financial Assets	124.19	-
Change in Fair Value of Derivatives	30.86	-
Other general expenses	43.76	42.74
Sub-total	1,798.57	1,589.90
Less: Transferred to Expenditure Attributable to Construction	239.20	283.90
Sub-total (i)	1,559.37	1,306.00
C. PROVISIONS/ IMPAIRMENT ALLOWANCE		
Loss allowance for trade receivables	0.04	3.95
Allowance for Bad and doubtful advances/deposits	0.01	10.11
Loss allowance for doubtful recoverables	5.68	5.94
Loss allowance for Bad and Doubtful Loan (Loan to Related Party)	18.40	-
Loss allowance for Doubtful Interest	-	0.42
Allowance for stores and spares/Construction stores	0.32	0.58
Allowance against diminution in the value of investment	121.89	14.07
Allowance for Project expenses/Capital Work In Progress	2.19	7.47
Allowance for losses pending investigation/awaiting write off / sanction	-	0.03
Allowances for Goods and Service Tax Input Receivable	39.64	31.09
Sub-total	188.17	73.66
Less: Transferred to Expenditure Attributable to Construction	39.65	31.11
Sub-total (ii)	148.52	42.55
Total (i+ii)	1,707.89	1,348.55

29.1 Disclosure about leases are given in Note 34 (16) (A) of Standalone Financial Statements.

PARTICULARS		For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
29.2	Details of audit expenses are as under: -		
	i) Statutory Auditors		
	As Auditor		
	- Audit Fees	0.88	0.73
	- Tax Audit Fees	0.25	0.21
	In other capacity		
	- Taxation Matters	-	0.01
	- Other Matters/services	0.65	0.57
	- Reimbursement of expenses	0.37	0.26
	ii) Cost Auditors		
	- Audit Fees	0.22	0.19
	- Reimbursement of expenses	0.01	-
	iii) Goods and Service Tax (GST) Auditors		
	- Audit Fees	0.03	0.04
	- Reimbursement of expenses	0.01	0.01
	Total Audit Expenses	2.42	2.02
29.3	Rent includes the following expenditure as per IND AS-116 "Leases".		
	(i) Expenditure on short-term leases other than lease term of one month or less	9.58	10.66
	(ii) Variable lease payments not included in the measurement of lease liabilities	3.86	4.96
29.4	Other Expenses includes an amount of ₹ 1.93 Crore (Previous year ₹ 3.05 Crore) incurred on R&D Activities of the Company.		
29.5	Expense of ₹ 44.43 Crore (Previous year ₹ 158.50 Crore) on Downstream Protection works incurred in Subansiri Lower Project has been capitalized by way of Expenditure Attributable to Construction (EAC) (Refer Note 2.2.7).		

NOTE NO. 30.1 TAX EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Current Tax		
Provision for Current Tax	760.72	723.23
Adjustment Relating To earlier years	-	3.00
Total Current Tax expenses	760.72	726.23
Deferred Tax		
Decrease (increase) in Deferred Tax Assets		
- Relating to origination and reversal of temporary differences	(46.59)	(40.15)
- Adjustments on account of MAT credit entitlement	(88.37)	(1,478.62)
Increase (decrease) in Deferred Tax Liabilities		
- Relating to origination and reversal of temporary differences	(20.36)	31.27
Total Deferred Tax expenses (benefits)	(155.32)	(1,487.50)
Net Deferred Tax	(155.32)	(1,487.50)
Total	605.40	(761.27)

(₹ in Crore)

30.1.1 Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance	4,265.10	4,078.99
Applicable tax rate (%)	34.9440	34.9440
Computed tax expense	1,490.40	1,425.36
Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
Non Deductible Tax Expenses	73.23	42.42
Tax Exempt Income	(1.98)	(1.98)
Minimum Alternate Tax Adjustments	(345.70)	(1,474.87)
Deduction u/s 80	(610.55)	(755.20)
Adjustment Relating To Earlier years	-	3.00
Income tax expense reported in Statement of Profit and Loss	605.40	(761.27)
30.1.2 Amounts recognised directly in Equity		
Aggregate current and deferred tax arising in the reporting year 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)	528.65	945.96
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 difference	Nil	Nil
30.1.5 The details of Deferred Tax Assets in the nature of Minimum Alternate Tax (MAT) Credit available to the Company in future but not recognised in the Books of Accounts		

(₹ in Crore)

Financial Years	As at 31st March 2023		As at 31st March 2022	
	Amount	Year of Expiry	Amount	Year of Expiry
2014-15	46.81	2029-30	46.81	2029-30
2013-14	481.84	2028-29	481.84	2028-29
2012-13	-	-	291.72	2027-28
2008-09	-	-	125.59	2023-24
Total	528.65	-	945.96	

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 31 st March, 2023	For the Year ended 31 st March, 2022
(i) Items that will not be reclassified to profit or loss		
(a) Remeasurement of post employment defined benefit obligations	(5.83)	14.62
Less: Income Tax on remeasurement of post employment defined benefit obligations	(2.04)	5.11
Remeasurement of post employment defined benefit obligations (net of Tax)	(3.79)	9.51
Less: Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations	(2.45)	(3.73)
- Movement in Regulatory Deferral Account Balances-	6.49	2.33
Remeasurement of post employment defined benefit obligations		
Sub total (a)	5.15	15.57
(b) Investment in Equity Instruments	3.36	5.40
Less: Income Tax on Equity Instruments	-	-
Sub total (b)	3.36	5.40
Total (i)=(a)+(b)	8.51	20.97
(ii) Items that will be reclassified to profit or loss		
- Investment in Debt Instruments	(15.47)	(10.71)
Less: Income Tax on investment in Debt Instruments	(3.59)	(2.50)
Total (ii)	(11.88)	(8.21)
Total = (i+ii)	(3.37)	12.76

NOTE NO. 31 Movement in Regulatory Deferral Account Balances

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
(i) Wage Revision as per 3rd Pay Revision Committee	(462.87)	(116.53)
(ii) Kishanganga Power Station:-Depreciation due to moderation of Tariff	199.36	198.35
(iii) Exchange Differences on Monetary Items	1.10	(0.17)
(iv) Adjustment against Deferred Tax Recoverable for tariff period upto 2009	(56.09)	(49.52)
(v) Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards	(215.98)	10.72
(vi) Regulatory Liability on account of recognition of MAT Credit	390.07	(1,313.27)
TOTAL (i)+(ii)+(iii)+(iv)+(v)+(vi)	(144.41)	(1,270.42)
Impact of Tax on Regulatory Deferral Accounts		
Less: Deferred Tax on Regulatory Deferral Account Balances	161.75	13.56
Add: Deferred Tax recoverable from Beneficiaries	161.75	13.56
Total	(144.41)	(1,270.42)

31.1 Refer Note 14.1 and 14.2 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 31 st March, 2023	For the Year ended 31 st March, 2022
A. GENERATION EXPENSE		
Consumption of stores and spare parts	1.10	0.15
Sub-total	1.10	0.15
B. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	166.39	146.07
Contribution to provident and other funds	23.96	21.83
Staff welfare expenses	8.93	6.55
Sub-total	199.28	174.45
C. FINANCE COST		
Interest on : (Refer Note 2.2.2)		
Bonds	903.86	950.35
Foreign loan	6.43	7.65
Term loan	310.55	25.22
Lease Liabilities	0.17	0.23
	1,221.01	983.45
Loss on Hedging Transactions	44.50	43.91
Other finance charges	0.65	-
Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	4.23	1.58
Sub-total	1,270.39	1,028.94
D. DEPRECIATION AND AMORTISATION EXPENSES	14.16	14.80
Sub-total	14.16	14.80
E. OTHER EXPENSES		
Repairs And Maintenance :		
-Building	7.74	9.01
-Machinery	1.83	2.09
-Others	31.03	27.87
Rent & Hire Charges	13.08	9.31
Rates and taxes	4.11	2.42
Insurance	10.63	12.39
Security expenses	33.21	28.57
Electricity Charges	6.82	4.37
Travelling and Conveyance	3.05	1.94
Expenses on vehicles	1.61	0.79
Telephone, telex and Postage	3.03	1.86
Printing and stationery	0.41	0.42
Design and Consultancy charges:		
-Indigenous	5.35	4.13
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	0.46	0.29
Expenses on works of downstream protection works	44.43	158.50
(Refer Note 29.5)		
Expenditure on land not belonging to company	51.00	1.06
Assets/ Claims written off	0.01	0.09
Losses on sale of assets	-	0.04
Other general expenses	11.56	8.89
Sub-total	229.36	274.04

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
F. PROVISIONS	39.65	31.11
Sub-total	39.65	31.11
G. CORPORATE OFFICE/REGIONAL OFFICE EXPENSES		
Other Income	(0.30)	(0.55)
Other Expenses	9.84	9.86
Employee Benefits Expense	97.82	108.13
Depreciation & Amortisation Expenses	2.27	2.71
Finance Cost	0.21	0.20
Sub-total	109.84	120.35
H. LESS: RECEIPTS AND RECOVERIES		
Income from generation of electricity – precommissioning	45.72	53.81
Interest on loans and advances	12.23	17.34
Profit on sale of assets	0.04	-
Provision/Liability not required written back	0.95	0.43
Miscellaneous receipts	5.57	2.65
Sub-total	64.51	74.23
TOTAL (A+B+C+D+E+F+G-H) (Refer Note 2.2)	1,799.27	1,569.61

NOTE NO. 33 DISCLOSURE ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(1) Fair Value Measurement

A) Financial Instruments by category

Financial assets	Notes	As at 31 st March, 2023			As at 31 st March, 2022		
		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		102.06			98.70	
b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted	3.1		245.16			411.64	
Sub-total			347.22			510.34	
(ii) Trade Receivables	3.2			399.45			-
(iii) Loans							
a) Loans to Related Party	3.3			-			17.48
b) Employees	3.3			214.62			197.19
c) Loan to Government of Arunachal Pradesh (Including interest accrued)	3.3			875.18			802.92
(iv) Others							
- Deposits	3.4			25.33			23.19
- Lease Receivables including interest	3.4			2,273.62			2,435.91
- Recoverable on account of Bonds fully Serviced by Government of India	3.4			2,017.20			2,017.20
- Receivable on account of Late payment Surcharge	3.4			5.64			-
- Derivative Mark to Market Asset	3.4	0.24			22.35		
- Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4			0.37			0.35
Total Non-current Financial assets		0.24	347.22	5,811.41	22.35	510.34	5,494.24

		(₹ in Crore)			
Financial assets	Notes	As at 31 st March, 2023		As at 31 st March, 2022	
		Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Fair value through Profit or Loss	Fair value through Other Comprehensive Income
Current Financial assets					
(i) Current Investments	7.1		151.35	-	-
(ii) Trade Receivables	7.2		5,487.59		4,621.48
(iii) Cash and cash equivalents	8		382.67		937.78
(iv) Bank balances other than Cash and Cash Equivalents	9		255.55		222.93
(v) Loans	10				
- Employee Loans			54.53		54.76
- Loans to Related Party			60.06		0.92
(vi) others (Excluding Lease Receivables)	11		480.29		612.42
(vii) others (Lease Receivables including interest)	11		134.03		119.31
Total Current Financial Assets		-	151.35	-	6,569.60
Total Financial Assets		0.24	498.57	22.35	12,063.84
Financial Liabilities	Notes	As at 31 st March, 2023		As at 31 st March, 2022	
		Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Fair value through Profit or Loss	Fair value through Other Comprehensive Income
(i) Long-term borrowings	16.1		25,254.69		23,166.61
(ii) Long term maturities of lease liabilities	16.2		11.70		12.88
(iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	8.76	2,134.31		2,088.04
(iv) Borrowing -Short Term including current maturities of long term borrowings	20.1		2,885.65		2,848.76
(v) Current maturities of lease obligations	20.2		2.39		2.27
(vi) Trade Payables including Micro, Small and Medium Enterprises	20.3		215.45		189.57
(vii) Other Current financial liabilities					
a) Interest Accrued but not due on borrowings	20.4		632.67		636.10
b) Other Current Liabilities	20.4		908.38		734.62
Total Financial Liabilities		8.76	-	-	29,678.85

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 security deposits/ retention money and loans at lower than market rates of interest.

(a) Financial Assets/Liabilities Measured at Fair Value-Recurring Fair Value Measurement:

PARTICULARS	Notes No.	As at 31 st March, 2023			As at 31 st March, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI							
(i) Investments:-							
- In Equity Instrument (Quoted)	3.1	102.06			98.70		
- In Debt Instruments (Government/ Public Sector Undertaking)- Quoted *	3.1 and 7.1	396.51			411.64		
Financial Assets at FVTPL :-							
(i) Derivative MTM Asset (Call spread option and Coupon only swap)	3.4		0.24			22.35	
Total Financial Assets		498.57	0.24	-	510.34	22.35	-
Financial Liabilities at FVTPL :-							
(i) Derivative MTM Liability (Call spread option)	16.3		8.76			-	
Total Financial Liabilities		-	8.76	-	-	-	-

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:

PARTICULARS	Notes No.	As at 31 st March, 2023			As at 31 st March, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Trade Receivables	3.2			399.45			-
(ii) Loans							
a) Employees (Including current loans)	3.3 and 10		275.68			257.88	
b) Loans to Related Party	3.3		-			17.48	
c) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3		875.18			802.92	
(iii) Others							
- Security Deposits	3.4		25.33			23.19	
- Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4		0.37			0.35	
- Recoverable-Others	3.4			5.64			-
- 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	1,176.56	405.09	2,017.20	1,101.82	-
Financial Liabilities							
(i) Long Term Borrowings including Current maturities and accrued interest	16.1, 20.1 and 20.4	15,950.32	7,919.87	2,760.68	16,766.32	5,326.53	2,991.21
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	2,017.20		119.08	2,017.20		76.95
Total Financial Liabilities		17,967.52	7,919.87	2,879.76	18,783.52	5,326.53	3,068.16

(c) Fair value of Financial Assets and liabilities measured at Amortised Cost

PARTICULARS	Notes No.	As at 31 st March, 2023		As at 31 st March, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
(₹ in Crore)					
Financial assets					
(i) Trade Receivables	3.2	399.45	399.45	-	-
(ii) Loans					
a) Employees (Including current loans)	3.3 and 10	269.15	275.68	251.95	257.88
b) Loans to Related Party	3.3	-	-	17.48	17.48
c) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3	875.18	875.18	802.92	802.92
(iii) Others					
- Security Deposits	3.4	25.33	25.33	23.19	23.19
- Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4	0.37	0.37	0.35	0.35
- Recoverable-Others	3.4	5.64	5.64	-	-
- 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		3,592.32	3,598.85	3,113.09	3,119.02
Financial Liabilities					
(i) Long Term Borrowings including Current maturities and accrued interest	16.1,20.1 and 20.4	27,824.97	26,630.87	25,327.57	25,084.06
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	2,134.31	2,136.28	2,088.04	2,094.15
Total Financial Liabilities		29,959.28	28,767.15	27,415.61	27,178.21

Note:-

- The Carrying amounts of current investments, Trade and other receivables (Current), 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.
 - 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

- 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.
- 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.
- 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 Company's activities expose it to a variety of financial risks. These are summarized as below:-

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.	Ageing 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 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 of three types of risk: currency rate risk, interest rate risk and other price risks, such as equity and debt price 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 of 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 of 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 Exchange rate 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. Further, the company also hedges its medium term foreign currency borrowings by way of interest rate hedge and currency swaps.

(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 and 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. In the case of the Company, the concentration of risk with respect to trade receivables is low, as its customers are mainly state government companies/DISCOMS and operate in largely independent markets. Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as trade receivables for the same type of contracts.

Lease receivables of the company are with regard to Power Purchase Agreements classified as finance lease as per Ind AS 116- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

Financial assets at amortised cost :-

Employee Loans: The Company has given loans to employees at concessional rates as per the 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. Long term loans for acquisition of assets 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 Arunachal Pradesh : The Company has given loan to Government of Arunachal Pradesh at 9% rate of interest (compounded annually) 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 and 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 banks with which balances and deposits are maintained. Generally, the balances are maintained with 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 to any single bank.

Corporate Guarantee issued by the Company: -

The Company has issued following irrevocable and unconditional Corporate Guarantees to Subsidiary Companies of NHPC Limited for a Guarantee Fee of 1.20% plus applicable GST. Exposure of the Company from the Guarantee shall be the principal outstanding under the said credit facility including any interest, commission, charges etc. payable to the Bank by subsidiaries.

- (a) The Company has issued Corporate Guarantee in favour of HDFC Bank Limited for Term Loan Facility for Bundelkhand Saur Urja Ltd (BSUL) amounting to ₹ 213.25 Crore. The outstanding balance of said term loan is ₹ 134.01 Crore including interest as on 31.03.2023.
- (b) The Company has issued Corporate Guarantee in favour of J&K Bank Limited and Bank of Baroda limited for Term Loan Facility for Lanco Teesta Hydro Power Limited (LTHPL) amounting to ₹ 200 Crore and ₹ 350 crores respectively. The outstanding balance of said term loan is ₹ 201.36 crore and ₹ 352.22 crore respectively (including interest) as on 31.03.2023.
- (c) The Company has issued Corporate Guarantee in favour of J&K Bank Limited for Term Loan Facility for Jal Power Corporation Limited amounting to ₹ 313.00 Crore. The outstanding balance of said term loan is ₹ 280.00 Crore as on 31.03.2023.

However, on the reporting date management does not envisage any probability of the default by the Subsidiary Company.

(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 is as under:

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments (Other than Subsidiaries and Joint Venture)	347.22	510.34
Loans -Non Current (including interest)	1,089.80	1,017.59
Other Non Current Financial Assets (Excluding Lease Receivables and Share Application Money Pending Allotment)	2,048.78	2,063.09
Current Investments	151.35	-
Cash and cash equivalents	382.67	937.78
Bank balances other than Cash and Cash Equivalents	255.55	222.93
Loans -Current	114.59	55.68
Other Financial Assets (Excluding Lease Receivables)	480.29	612.42
Total (A)	4,870.25	5,419.83
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	5,887.04	4,621.48
Lease Receivables (Including Interest)	2,407.65	2,555.22
Total (B)	8,294.69	7,176.70
TOTAL (A+B)	13,164.94	12,596.53

(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 there is no significant possibility of recovery of receivables after considering all available options for recovery as per assessment of the management. 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. Government of India has approved the extension of these TPAs for another period of 10 years and the same has been signed by most of the States. As per the provisions of the TPA and Power Purchase Agreements (PPA), the customers are required to open LCs covering 105% of the average monthly billing of the Company for last 12 months. The TPA also provides 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. Also, Electricity (Late Payment Surcharge & Related Matters) Rules, 2022 provides for regulation of power by the Company in a gradual manner in case of non-payment of dues beyond 30 days of the due date, i.e. when payment is not made by any beneficiary even after 75 days (being due period of 45 days plus 30 days) from the date of presentation of the bill.

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 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-realization 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)

PARTICULARS	Trade Receivables	Investments	Claim Recoverable	Loans	Total
Balance as at 1.4.2021	33.76	-	275.15	0.01	308.92
Changes in Loss Allowances	1.57	14.07	7.47	0.42	23.53
Balance as at 1.4.2022	35.33	14.07	282.62	0.43	332.45
Changes in Loss Allowances	0.04	121.89	4.52	18.40	144.85
Balance as at 31.3.2023	35.37	135.96	287.14	18.83	477.30

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 year:

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
At Floating Rate	925.00	1,425.00
Total	925.00	1,425.00

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, 2023

(₹ in Crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2023	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 & 20.01	29147.17	2,885.65	5,524.60	6,092.28	14,644.64
Lease Liabilities	16.2 & 20.2	23.62	2.39	4.22	1.83	15.18
Other financial Liabilities	16.3 & 20.4	3697.29	1,543.88	23.50	7.39	2,122.52
Trade Payables	20.3	215.45	215.45	-	-	-
Total Financial Liabilities		33083.53	4,647.37	5,552.32	6,101.50	16,782.34

As at 31 st March, 2022		(₹ in Crore)				
Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2022	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 & 20.01	27080.91	2,848.76	4,337.53	5,321.14	14,573.48
Lease Liabilities	16.2 & 20.2	24.13	2.27	4.39	3.01	14.46
Other financial Liabilities	16.3 & 20.4	3476.56	1,371.41	12.04	6.41	2,086.70
Trade Payables	20.3	189.57	189.57	-	-	-
Total Financial Liabilities		30771.17	4,412.01	4,353.96	5,330.56	16,674.64

(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 refinances 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 year are as follows:-

PARTICULARS	As at 31 st March, 2023 weighted average interest rate (%)	As at 31 st March, 2023 (₹ in Crore)	As at 31 st March, 2022 weighted average interest rate (%)	As at 31 st March, 2022 (₹ in Crore)
Floating Rate Borrowings (INR)	8.26	6,403.12	5.64	3,510.01
Fixed Rate Borrowings (INR)	7.80	19,417.76	7.87	19,705.49
Fixed Rate Borrowings (FC)	1.35	1,371.42	1.38	1,475.97
Total		27,192.30		24,691.47

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) Interest Rate Benchmark reform rate:

During the Previous year, the Company has transitioned the outstanding Foreign Currency (JPY) Loan amounting to ₹ 688.75 Crore repayable in one instalment bullet on 25.07.2024 from floating rate of 6 month (LIBOR+ 0.75 %) to Compounded Reference Rate (i.e. TONA+CAS) +0.75%.

Contractual terms of the Company's bank borrowings stands amended as a direct consequence of the change in interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change.

The Company has opted for the practical expedient in Ind AS 109 i.e. Changes to cash flow flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

The total outstanding amount of exposure that is directly affected by the Interest rate benchmark reform (IBOR) is ₹ 688.75 Crore. Further, the total amount of exposure on account of principal and Interest is hedged by derivative instruments.

Accordingly, there is no material impact on the Statement of Profit and Loss of the Company due to interest rate benchmark reforms.

(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 current/ non-current investment in Balance Sheet.

At a reporting date, the exposure to equity and debt instruments are as under:-

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Equity Instruments	102.06	98.70
Debt Instruments	396.51	411.64

(b) Price Risk Sensitivity**For Investment in Equity Instruments (Investment in equity shares of 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:

(₹ in Crore)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	% change	Impact on other components of equity	% change	Impact on other components of equity
Investment in Equity shares of				
PTC India Ltd	18.39	18.77	8.62	8.50

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:

(₹ in Crore)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	% change	Impact on other components of equity	% change	Impact on other components of equity
Government Securities	0.03	0.09	0.61	2.01
Public Sector Undertaking Tax Free Bonds	0.89	0.73	1.42	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 year expressed in INR are as follows :

(₹ in Crore)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Financial Liabilities:		
Foreign Currency Loans :-		
Japan International Corporation LTD (JPY)	698.18	801.97
MUFG BANK (JPY)	673.24	674.00
Other Financial Liabilities	39.61	49.77
Net Exposure to foreign currency (liabilities)	1,411.03	1,525.74

Out of the above, loan from MUFG bank is hedged through call spread options and coupon only swaps. For balance exposure gain/(loss) on account of exchange variation is recoverable from beneficiaries as per Tariff Regulation 2019-24. Therefore, currency risk in respect of such exposure would not be 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. Accordingly, 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 total debt divided by total capital. The Debt : Equity ratio are as follows:

Statement of Gearing Ratio

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
(a) Total Debt (₹ in Crore)	30,171.63	28,047.72
(b) Total Capital (₹ in Crore)	35,407.96	33,486.10
Gearing Ratio (a/b)	0.85	0.84

Note: For the purpose of the Company's capital management, capital includes issued capital and reserves. Total debt includes Long term debts and Lease Liabilities including current maturities thereof, Short term Borrowings and Payable towards Bonds fully serviced by Government of India.

(b) Loan Covenants:

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

1. Maintain AAA credit rating 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: (Refer Note 15.2)

(₹ in Crore)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
(i) Equity Shares		
Final dividend for the year 2021-22 of ₹ 0.50 per fully paid share approved in Aug-2022 and paid in Sep-2022. (31 st March 2021- ₹ 0.35 fully paid share for FY 2020-21).	502.25	351.58
Interim dividend for the year ended 31 st March 2023 of ₹ 1.40 (31 st March 2022- ₹ 1.31) per fully paid share.	1,406.31	1,315.90
(ii) Dividend not recognised at the end of the reporting year		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.45 (31 st March 2022- ₹ 0.50) per fully paid up shares. The proposed dividend is subject to the approval of shareholders in the ensuing AGM.	452.03	502.25

Note No-33(4) :- Financial Ratios of NHPCL Limited

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022.

S. Particulars No	Numerator	Denominator	31 st March 2023	31 st March 2022	% Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	1.09	1.20	(8.87)	
(b) Debt-Equity Ratio	Total Debts	Shareholder's Equity	0.85	0.84	1.73	
(c) Debt Service Coverage Ratio	Earning Available for debt service	Debt Service	4.05	3.62	11.89	
(d) Return on Equity Ratio (in %)	Profit After Tax	Average Shareholder's Equity	11.13	10.87	2.38	
(e) Inventory turnover Ratio	Revenue From Operations	Average Inventory	64.78	62.26	4.05	
(f) Trade Receivable turnover Ratio	Revenue From Operations	Average Debtors	1.76	1.80	(2.25)	
(g) Trade Payables turnover Ratio	Purchases	Average Trade Payables	5.28	4.93	7.12	
(h) Net Capital turnover Ratio	Revenue From Operations	Average Working Capital	10.02	6.10	64.17	Increase is on account of reduction in working capital.
(i) Net Profit Ratio (In %)	Net Profit	Revenue from operations	41.15	42.58	(3.35)	
(j) Return on Capital Employed (In %)	Earning Before Interest and Taxes	Capital Employed (Tangible Net Worth + Total Debts + Deferred Tax Liabilities)	6.70	7.26	(7.71)	
(k) Return on investment-Quoted Investment (In %)						
(i) Quoted Equity	Income generated from investments	Time weighted average investments	10.46	15.43	(32.21)	Reduction is on account of lower dividend and market price movement in FY 2022-23 as compared to FY 2021-22.
(ii) Quoted Debt Instruments			3.90	4.95	(21.21)	
(iii) Equity Investment in Subsidiary Companies (Unquoted)			5.52	5.12	7.81	

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 ₹ **9971.13 Crore** (Previous year ₹ **10240.95 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 ₹ **6393.01 Crore** (Previous year ₹ **6040.86 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 ₹ **1116.93 Crore** (Previous year ₹ **418.63 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **8556.95 Crore** (Previous year ₹ **9546.17 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 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 ₹ **241.19 Crore** (Previous year ₹ **260.87 Crore**) before various authorities/ Courts. Pending settlement, the Company has assessed and provided an amount of ₹ **16.22 Crore** (Previous year ₹ **43.86 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **224.97 Crore** (Previous year ₹ **217.01 Crore**) as the amount of contingent liability as outflow of resources is considered not probable.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/Goods & Services Tax/Water Cess/ Green Energy Cess/other taxes/duties matters pending before various appellate authorities amount to ₹ **1954.09 Crore** (Previous year ₹ **1905.72 Crore**). Pending settlement, the Company has assessed and provided an amount of ₹ **17.52 Crore** (Previous year ₹ **17.52 Crore**) based on probability of outflow of resources embodying economic benefits and ₹ **746.92 Crore** (Previous year ₹ **704.29 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 remote.

(iv) Others

Claims on account of other miscellaneous matters amount to ₹ **834.10 Crore** (Previous year ₹ **765.02 Crore**). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ **102.16 Crore** (Previous year ₹ **102.24 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **723.38 Crore** (Previous year ₹ **653.45 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 remote.

The above is summarized as below:

(₹ in Crore)

Sl. No.	Particulars	Claims as on 31.03.2023	up to date Provision against the claims	Contingent liability as on 31.03.2023	Contingent liability as on 31.03.2022	Addition to (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2022
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	9971.13	1116.93	8556.95	9546.17	(989.22)	1604.15
2.	Land Compensation cases	241.19	16.22	224.97	217.01	7.96	5.96
3.	Disputed tax matters	1954.09	17.52	746.92	704.29	42.63	1.09
4.	Others	834.10	102.16	723.38	653.45	69.93	27.48
Total		13000.51	1252.83	10252.22	11120.92	(868.70)	1638.68

- (b) The above do not include contingent liabilities on account of pending cases in respect of service matters relating to employees (including ex-employees) 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 ₹ **502.25 Crore** (Previous year ₹ **462.67 Crore**) against the above Contingent Liabilities.
- (e) (i) An amount of ₹ **1231.31 Crore** (Previous year ₹ **1140.40 Crore**) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/being challenged by the Company in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also refer Note No. 5).
- (ii) An amount of ₹ **1654.84 Crore** (Previous year ₹ **1656.11 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.
- (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 or operations or financial condition.

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 ₹ **1397.96 Crore** (Previous year ₹ **1067.90 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 ₹ **36.13 Crore** (Previous year ₹ **26.74 Crore**) towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ **1106.28 Crore** (Previous year ₹ **828.50 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 beneficiaries, an amount of ₹ **23.76 Crore** (previous year ₹ **25.61 Crore**) as estimated by the management has not been recognised.

c) Revenue to the extent not recognised in respect of power stations:

Tariff orders on account of petition fee for 2019-24 are pending in respect of twelve Power stations. Management has assessed that additional revenue of ₹ **5.69 Crore** (Previous year ₹ **7.26 Crore**) is likely to accrue which has not been recognised due to significant uncertainty for 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 claims of ₹ **128.97 Crore** (Previous Year ₹ **192.71 Crore**) in this respect which have 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 comprising of interest on amounts deposited as per NITI Aayog directions/ Court Orders in respect of cases pending in Court, liquidated damages, dues from ex-employees etc. estimated by Management at ₹ **1041.79 Crore** (Previous year ₹ **826.00 Crore**) have 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 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	3446.87	2130.30
2.	Intangible Assets	0.21	0.85
Total		3447.08	2131.15

(b) The Company has commitments of ₹ **1419.17 Crore** (Previous year ₹ **1344.47 Crore**) towards further investment in the Subsidiary Companies as at 31st March 2023.

(c) The Company has commitments of ₹ **NIL Crore** (Previous year ₹ **762.19 Crore**) towards further investment in the Joint Venture Companies as at 31st March 2023.

4. Commitments regarding Corporate Guarantees issued by the Company:

Corporate Guarantee Given to	Guarantee Given in favour of	Total Commitment (including outstanding interest as at)	Exposure of the Company from the Commitment as at		Guarantee fee charged by the Company	Purpose
			31.03.2023	31.03.2023		
		(₹ in Crore)				
Bundelkhand Saur Urja Limited (BSUL)	HDFC Bank in support of credit facility to BSUL	213.25	134.01	60.19	1.20%	For meeting CAPEX Requirement
Jalpower Corporation Limited (JPCL)	J&K Bank in support of credit facility to JPCL	313.00	280.00	-	1.20%	For meeting CAPEX Requirement
Lanco Teesta Hydro Power Limited (LTHPL)	J&K Bank and Bank of Baroda in support of credit facility to LTHPL	553.58	553.58	-	1.20%	For meeting CAPEX Requirement

5. Disclosures as per IND AS 115 'Revenue from contracts with customers':

(A) Nature of goods and services

Revenue of the Company comprises of income from sale of power/electricity, trading of power, consultancy and other services. The following is a description of the principal activities:

(a) Revenue from sale of power

The major revenue of the Company comes from sale of power. The Company sells power to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of power 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 sale of power 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 in case of Hydro Power Stations and 25 years in case of Renewable Energy Projects. 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. The amounts are billed as per the terms of Power Purchase Agreements (PPA) and are payable as per Terms of PPA.

(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 time as 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 contracts and are payable within contractually agreed credit period.
Rural Road Project / Rural Electrification Project	The Company recognises revenue from work done under the scheme over 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. Revenue from the scheme is determined as per terms of contract. The amounts are billed as per the terms of contract and are payable within contractually agreed credit period.

(c) Trading of Power

The Company purchases power from Generating Companies and sells it to 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. 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 as revenue from Finance and Operating Leases)		Project Management / Construction Contracts/ Consultancy assignments		Trading of Power		Others		Total	
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
India	9124.85	8,180.57	60.67	45.57	4.60	0.27	125.95	82.22	9316.07	8308.63
Others	-	-	0.27	0.59	-	-	-	-	0.27	0.59
Total	9124.85	8,180.57	60.94	46.16	4.60	0.27	125.95	82.22	9316.34	8309.22
Timing of revenue recognition:										
Products and services transferred over time	9124.85	8,180.57	60.94	46.16	4.60	0.27	125.95	82.22	9316.34	8309.22
Units Sold (MU)	21654	21516	-	-	-	-	-	-	21654	21516

(C) Contract Balances

Details of trade receivables including unbilled receivables 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, 2023	As at 31st March, 2022
Trade Receivables –Non Current	399.45	-
Trade Receivables - Current	5487.59	4,621.48
Contract Liabilities- Deposit Works-- Current	84.64	6.30
Contract Liabilities- Project Management/Consultancy Work- Current	106.38	112.54
Advance from Customers and Others-- Current	28.40	66.77

The Company has recognised revenue of ₹ **0.41 crore** (Previous Year ₹ **NIL**) 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) The Company generally does not have any contracts in the normal course of business where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Accordingly, transaction price has been adjusted for the time value of money only where such time value of money is significant.

(F) The Company has not incurred any incremental cost of obtaining contracts with a customer and has therefore, not recognised any asset for such cost.

6. The effect of foreign exchange rate variation (FERV) during the year is as under:

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
(i)	Amount charged to Statement of Profit and Loss as FERV	(0.50)	(49.28)
(ii)	Amount adjusted in the carrying amount of PPE	(7.45)	(58.77)
(iii)	Amount recognised in Regulatory Deferral Account Balances	1.10	(0.17)

7. Operating Segments:

- 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 Ind AS 108- Operating Segments.
- b) The Company has a single geographical segment as all its Power Stations / Power-generating units are located within the Country.

- c) Information about major customers: Revenue of ₹ 2381.29 Crore (Previous year ₹ 2985.60 Crore) is derived from following customers as per details below:

Sl. No.	Name of Customer	Revenue from customer for the year ended 31 st March, 2023		Revenue from customer for the year ended 31 st March, 2022	
		Amount (₹ in Crore)	% of Total Revenue	Amount (₹ In Crore)	% of Total Revenue
1	Uttar Pradesh Power Corporation Limited.	1275.49	13.69%	1525.86	18.36%
2	Power Development Department , Jammu & Kashmir Govt./ JK Power Corporation Limited	1105.80	11.87%	1459.74	17.57%
Total		2381.29	25.56%	2985.60	35.93%

- d) **Revenue from External Customers:** The Company is domiciled in India. The amount of its revenue from external customers is as under:

(₹ in crore)

Sl. No.	Revenue from External Customers	For the year ended 31.03.2023	For the year ended 31.03.2022
1	Nepal	0.27	0.59
Total		0.27	0.59

Note: Above includes amount in foreign currency ₹ NIL (Previous year ₹ NIL)

- e) **Non-Current Assets held in Foreign Countries:**

(₹ in crore)

Sl. No.	Foreign Countries	Non-Current Asset	For the year ended 31.03.2023	For the year ended 31.03.2022
1	Nepal*	Capital Work in Progress	26.52	-
Total			26.52	-

*Projects in Nepal are under survey and Investigation stage.

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 (NHDC)	India
Loktak Downstream Hydroelectric Corporation Limited (LDHCL)	India
Bundelkhand Saur Urja Limited (BSUL)	India
Lanco Teesta Hydro Power Limited (LTHPL)	India
Jalpower Corporation Limited (JPCL)	India
Ratle Hydroelectric Power Corporation Limited (RHPCL) (w.e.f. 01.06.2021)	India
NHPC Renewable Energy Limited (NREL) (w.e.f. 16.02.2022)	India
Chenab Valley Power Projects Private Limited (CVPPPL) (W.e.f. 21.11.2022)	India

(ii) Joint Ventures:

Name of Companies	Principal place of operation
National High Power Test Laboratory (P) Limited (NHPTL)	India
Chenab Valley Power Projects Private Limited (CVPPPL) (Up to 20.11.2022)	India

(iii) Key Managerial Personnel (KMP):

Sl. No.	Name	Position Held
1	Shri Rajeev Kumar Vishnoi	Chairman and Managing Director (CMD) w.e.f. 13.12.2022
2	Shri Yamuna Kumar Chaubey	Director (Technical); Additional Charge of Chairman and Managing Director (w.e.f. 01.09.2022 to 13.12.2022); Additional Charge of Director (Personnel) (w.e.f 03.03.2022 to 02.03.2023)
3	Shri Abhay Kumar Singh	Chairman and Managing Director (Superannuated on 31.08.2022)
4	Shri Rajendra Prasad Goyal	Director (Finance) and CFO Additional Charge of Director (Personnel) w.e.f. 03.03.2023
5	Shri Biswajit Basu	Director (Projects)
6	Shri Nikhil Kumar jain	Director Personnel (Ceased on 02.12.2021)
7	Shri Tanmay Kumar	Govt. Nominee Director (Joint Secretary, Ministry of Power) (Ceased on 13.09.2021)
8	Shri Raghuraj Madhav Rajendran	Govt. Nominee Director (Joint Secretary, Ministry of Power) (Appointed on 16.09.2021 and Ceased on 05.12.2022)
9	Shri Mohammad Afzal	Govt. Nominee Director (Joint Secretary, Ministry of Power) w.e.f. 06.12.2022
10	Dr. Uday Sakharam Nirgudkar	Independent Director (Appointed on 15.11.2021)
11	Dr. Amit Kansal	Independent Director (Appointed on 21.11.2021)
12	Dr. Rashmi Sharma Rawal	Independent Director (Appointed on 30.11.2021)
13	Shri Jiji Joseph	Independent Director (Appointed on 01.12.2021)
14	Shri Premkumar Goverthanam	Independent Director (Appointed w.e.f. 10.03.2023)
15	Smt. Rupa Deb	Company Secretary (Appointed on 24.09.2021)
16	Shri Saurabh Chakravorty	Company Secretary (Ceased on 24.09.2021)

(iv) Post-Employment Benefit Plans :

Name of Related Parties	Principal place of operation
NHPC Limited Employees Provident Fund	India
NHPC Limited Employees Group Gratuity Assurance Fund	India
NHPC Limited Retired Employees Health Scheme Trust	India
NHPC Limited Employees Social Security Scheme Trust	India
NHPC Limited Employees Defined Contribution Superannuation Scheme Trust	India
NHPC Limited Employee Leave Encashment Trust	India

(v) Other entities with joint-control or significant influence over the Company:

The Company is a Central Public Sector Enterprise (CPSE) 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. Accordingly, 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/ Other Govt. Controlled Entities	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over company
2	Various Central Public Sector Enterprises and Other Govt. Controlled Entities (BHEL, IOCL, POSOCO, SAIL, New India Assurance Company, Damodar Valley Corporation, PGCIL, REC, BSNL, EESL, KV, Balmer Lawrie & Co. Ltd., Power Foundation of India etc.)	Entities controlled by the same Government (Central Government) that has control over NHPC

(B) Transactions and Balances with related parties are as follows:

(i) Transactions and Balances with Subsidiaries

(₹ in crore)

Transactions with Subsidiaries	For the year ended 31.03.2023	For the year ended 31.03.2022
(i)	(ii)	(iii)
Services provided by the Company		
▪ NHDC	0.86	0.01
▪ BSUL	1.45	0.03
▪ LDHCL	0.04	1.28
▪ LTHPL	10.12	10.34
▪ JPCL	8.35	5.87
▪ RHPCL	7.34	4.89
▪ NREL	0.04	-
▪ CVPPPL (w.e.f. 21.11.22)	7.92	-
Dividend received by the company		
▪ NHDC	369.89	292.71
Equity contributions (including share application money) by the company		
▪ BSUL	2.00	39.82
▪ LDHCL	-	6.66
▪ LTHPL	283.91	445.00
▪ JPCL	-	116.49
▪ RHPCL	-	137.70
▪ NREL	20.00	-
▪ CVPPPL (w.e.f. 21.11.22)	224.69	-
Reimbursement of employee benefit expenses of employees on deputation/ posted at subsidiaries		
▪ NHDC	1.18	2.05

Transactions with Subsidiaries	For the year ended 31.03.2023	For the year ended 31.03.2022
▪ BSUL	-	0.17
▪ LDHCL	0.02	0.30
▪ LTHPL	1.10	1.80
▪ JPCL	1.26	0.69
▪ RHPCL	0.80	0.70
▪ CVPPPL (w.e.f. 21.11.22)	2.69	-
Loans & Advances (unsecured) given by the Company during the year		
▪ JPCL	55.00	-
▪ LTHPL	260.00	-
Interest Income on Loans & Advances given by the Company during the year		
▪ JPCL	0.57	-
▪ LTHPL	2.32	-
Repayment of Loans & Advances given by the Company during the year		
JPCL	55.00	-
LTHPL	200.00	-

(₹ in crore)

Balances with Subsidiaries	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Receivable/(Payable) –unsecured		
▪ NHDC	(2.35)	(0.76)
▪ BSUL	1.34	(0.05)
▪ LDHCL	1.15	0.24
▪ LTHPL	0.79	1.02
▪ JPCL	2.41	3.40
▪ RHPCL	1.22	5.78
▪ CVPPPL	6.55	-
Investment in Equity (Including Share Application Money)		
▪ NHDC	1002.42	1002.42
▪ BSUL	86.22	84.22
▪ LDHCL	105.56	105.56
▪ LTHPL	1724.41	1440.50
▪ JPCL	281.49	281.49
▪ RHPCL	137.70	137.70
▪ NREL	20.00	-
▪ CVPPPL	2172.19	-

Balances with Subsidiaries	As at 31.03.2023	As at 31.03.2022
Loans & Advances (Including Interest accrued) Receivable (Unsecured) from		
▪ LTHPL	60.06	-
Exposure in respect of Corporate Guarantee given by Company to : (Refer Note 34 (4))		
▪ BSUL	134.01	60.19
▪ LTHPL	553.58	-
▪ JPCL	280.00	-

(ii) Transactions and Balances with Joint Ventures

(₹ in crore)

Transactions with Joint Ventures	For the year ended 31.03.2023	For the year ended 31.03.2022
(i)	(ii)	(iii)
Services Provided by the Company		
▪ CVPPPL (up to 20.11.2022)	16.58	33.22
Equity contributions (including share application money) by the company		
▪ CVPPPL(up to 20.11.2022)	107.94	451.56
Reimbursement of Cost of employee on deputation/ Posted at		
▪ CVPPPL (up to 20.11.2022)	-	2.95
Interest Income on Loan given by the Company		
▪ NHPTL	-	0.19

(₹ in crore)

Balances with Joint Ventures	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Investment in Equity		
▪ NHPTL*	30.40	30.40
▪ CVPPPL (up to 20.11.2022)	-	1839.56
Loans & Advances Receivable (Including interest accrued) from:		
▪ NHPTL*	18.82	18.82
Receivable/(Payable) –unsecured		
CVPPPL (up to 20.11.2022)	-	60.89

* Also Refer Note 34(18) of Standalone Financial Statements.

(iii) Transactions and Balances with Key Management Personnel:

(₹ in crore)

Compensation to Key Management Personnel	For the year ended 31.03.2023	For the year ended 31.03.2022
Short Term Employee Benefits	3.81	5.11
Post-Employment Benefits	0.56	0.49
Other Long Term Benefits	0.34	0.09

(₹ in crore)

Other Transactions with KMP	For the year ended 31.03.2023	For the year ended 31.03.2022
Sitting Fees to Independent Directors	0.48	0.14
Interest Received during the year	0.01	0.09

(₹ in crore)

Balances with KMP	As at 31.03.2023	As at 31.03.2022
Receivable on account of Employee Loans	0.03	0.42

(iv) Transactions & Balances with Post -Employment Benefit Plans

(₹ in crore)

Post -Employment Benefit Plans	Contribution by the company (Net of Refund from Post - Employment Benefit Plans)		Balances with Post - Employment Benefit Plans Receivable/(Payable)	
	For the year ended 31.03.2023	For the year ended 31.03.2022	As at 31.03.2023	As at 31.03.2022
NHPC Limited Employees Provident Fund	289.96	320.61	(23.47)	(53.54)
NHPC Limited Employees Group Gratuity Assurance Fund	70.00	78.53	(1.47)	7.78
NHPC Limited Retired Employees Health Scheme Trust	(15.39)	(37.39)	(17.97)	5.60
NHPC Limited Employees Social Security Scheme Trust	4.95	5.39	(0.40)	(0.43)
NHPC Limited Employees Defined Contribution Superannuation Scheme Trust	168.79	182.83	(33.53)	(40.35)
NHPC Limited Employee Leave Encashment Trust	1.48	14.78	4.23	4.98

(v) Significant Transactions with Government that has control over the Company (i.e. Central Government)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
(i)	(ii)	(iii)
Guarantee Fee on Foreign Loans to Govt. of India	9.62	11.62
Interest on Subordinate debts by Government of India (including interest accrued)	70.16	70.73
Interest received on account of 8.12% NHPC GOI Fully Serviced Bonds Issued on mandate of MOP and paid to GOI (including Interest Accrued)	163.80	163.80
Services Provided by the Company	0.02	40.75
Sale of goods (Electricity) by the Company	30.33	25.47
Dividend Paid during the year	1354.09	1183.04
Services Received by the Company	2.92	0.45

(vi) (a) Outstanding balances with Central Government:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Balances with Central Government (that has control over the Company)		
Loan Payable to Government (Subordinate debts) (Including Interest Accrued)	4807.34	4831.02
Receivable - 8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest accrued)	2021.69	2021.69
Receivables (Unsecured)	84.80	54.55

(vi) (b) Outstanding balances of Loan guaranteed by Central Government:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Foreign Currency Borrowings	698.17	801.97

(vii) Transactions with entities controlled by the Government that has control over the Company

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
(i)	(ii)	(iii)
Purchase of property/Other assets	19.92	29.35
Purchase of Construction Materials, Stores, Etc.	336.03	460.03
Services received by the company	667.22	572.42
Services provided by the company	1.82	0.59

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Sale of goods/Inventory made by the company	80.05	72.76
Settlement of claims/Amount received by the company against insurance claim	61.22	105.20
Contribution by the Company	6.00	5.00

(viii) Balances with entities controlled by the Government that has control over the Company

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Payables	76.60	50.73
Receivables	224.59	178.24

(C) Other notes to related party transactions:

(i) Terms and conditions of transactions with the related parties:

- 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.
- Unsecured loan of ₹ **18.40 crore** (Previous Year ₹ **18.40 crore**) granted to NHPTL is interest bearing @ 10% p.a. to be compounded annually. Impairment provision amounting to ₹ **18.82 crore** (Previous Year **NIL**) along with accrued interest has been recognised due to significant uncertainty in realisation.
- Outstanding Short Term Loan of ₹ **60.00 crore** was granted to LTHPL on 27.03.2023 at the rate of 8.32% p.a. compounded annually.
- 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.
- Outstanding balances of subsidiary and joint venture companies as at 31.03.2023 are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. Assessment of impairment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.
- Contributions to post-employment benefit plans are net of refunds from trusts.

(ii) Commitment towards further investments in the Subsidiary Companies and Joint Venture companies are disclosed at Note 34(3).

9. **Particulars of Security:** The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.

(₹ in crore)

S. No	Particulars	As on 31.03.2023		As on 31.03.2022	
		Specific Assets mortgaged/ hypothecated against Borrowings	Common Assets mortgaged/ hypothecated against Borrowings #	Specific Assets mortgaged/ hypothecated against Borrowings	Common Assets mortgaged/ hypothecated against Borrowings
1	Property, Plant & Equipment	9274.93	8160.10	9777.30	-
2	Capital work in progress	13212.08	12102.92	11690.91	-
3	Financial Assets-Others	967.59	987.93	1065.49	-
	Total	23454.60	21250.95	22533.70	-

The actual value of security pledged against common pool of assets is ₹ **1866.14 Crore** as on 31.03.2023 (Previous Year- Nil).

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 which has been in operation i.e. 01.06.2007. Contribution to the fund is made by employees at a fixed amount per month and a matching contribution for the same amount is also made by the Company. The scheme has been created to provide financial help to bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the year towards social security scheme are ₹ **2.47 Crore** (Previous year ₹ **2.70 Crore**). The funds of the scheme have been invested in the NHPC Limited Employees Social Security Scheme Trust and the same is managed by the Life Insurance Corporation (LIC) of India.
- (ii) **Employees Defined Contribution Superannuation Scheme (EDCSS):** The scheme has been created 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 the LIC of India. Expense recognised during the year towards EDCSS are ₹ **96.89 Crore** (Previous year ₹ **98.13 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 a fixed contribution and to ensure a minimum rate of return to the members as specified by the 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 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 death. Such ceiling

limit of gratuity shall, however, increase by 25% when Industrial Dearness Allowance increases by 50%. 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. The funds of the trust are managed by the LIC of India.

- (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 limit fixed by the Company. The liability for REHS 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. The funds of the Trust are managed by the LIC of India.
- (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. 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 employees on superannuation. Liability for the same is recognised on the basis of actuarial valuation
- (vi) **NHPC Employees Family Economic Rehabilitation Scheme:** NHPC Limited has introduced "NHPC Employees Family Economic Rehabilitation Scheme" w.e.f. 01.04.2021. The objective of this scheme is to provide monetary assistance and support to an employee in case of permanent total disablement of the employee and to his family in case of death of the employee, provided the permanent total disablement / death as the case may be, takes place while the employee is in service of the Company. On the separation of an employee from the service of the Company on account of death / permanent total disablement, the beneficiary is entitled to monthly payment equivalent to 50% of one month Basic Pay & DA last drawn by the employee and other benefits including HRA, Children's Education Allowance, etc. provided the beneficiary surrenders with the Company the death/ disablement benefits received under Social Security Scheme. Liability for the Scheme 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 2022-23 and 2021-22 are as follows:

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
	2022-23		
Opening Balance as at 01.04.2022	2989.92	3027.73	(37.81)
Current Service Cost	89.73	-	89.73
Interest Expenses/ (Income)	233.82	233.82	-
Total	323.55	233.82	89.73

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
	2022-23		
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(Income)	-	3.04	(3.04)
(Gain)/loss from change in financial assumptions	(0.12)	-	(0.12)
Experience (gains)/Losses	(0.50)	-	(0.50)
Total	(0.62)	3.04	(3.66)
Contributions:-			
-Employers	-	89.73	(89.73)
-Plan participants	233.28	233.28	-
Benefit payments	(506.80)	(506.80)	-
Closing Balance as at 31.03.2023	3039.33	3080.80	(41.47)

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
	2021-22		
Opening Balance as at 01.04.2021	2994.16	3002.27	(8.11)
Current Service Cost	90.54	-	90.54
Interest Expenses/ (Income)	231.17	234.35	(3.18)
Total	321.71	234.35	87.36
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(Income)	-	12.03	(12.03)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.35)	-	(0.35)
Experience (gains)/Losses	(14.14)	-	(14.14)
Total	(14.49)	12.03	(26.52)
Contributions:-			
-Employers	-	90.54	(90.54)

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
	2021-22		
-Plan participants	263.01	263.01	-
Benefit payments	(574.47)	(574.47)	-
Closing Balance as at 31.03.2022	2989.92	3027.73	(37.81)

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in crore)

Particulars	31 st March 2023	31 st March 2022
Present Value of funded obligations	3039.33	2989.92
Fair value of Plan Assets	3080.80	3027.73
Deficit/(Surplus) of funded plans	(41.47)	(37.81)
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	(41.47)	(37.81)

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 ₹ 41.47 Crore** determined through actuarial valuation. Accordingly, the 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:

(₹ in crore)

Particulars	Change in Assumptions		Impact on Defined Benefit Obligation					
			Increase in Assumption			Decrease in Assumptions		
	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022
Discount Rate	0.50%	0.50%	Decrease by	0.006%	0.007%	Increase by	0.007%	0.007%

- (ii) **Gratuity:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation / (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Opening Balance as at 01.04.2022	569.18	566.40	2.78
Current Service Cost	15.55	-	15.55
Past Service Cost	18.24	-	18.24
Interest Expenses/ (Income)	39.84	39.65	0.19
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	73.63	39.65	33.98
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	0.60	(0.60)
(Gain)/loss from change in demographic assumptions	2.98	-	2.98
(Gain)/loss from change in financial assumptions	(13.24)	-	(13.24)
Experience (gains)/Losses	(9.24)	-	(9.24)
Total Amount recognised in Other Comprehensive Income	(19.50)	0.60	(20.10)
Contributions:-			
-Employers	-	10.00	(10.00)
Benefit payments	(83.88)	(89.25)	5.37
Closing Balance as at 31.03.2023	539.43	527.40	12.03

Keeping in view the provision whereby the ceiling limit of gratuity increases by 25% when Industrial Dearness Allowance increased by 50% and considering the fact that the current Industrial Dearness Allowance is 37.20% as on 31.03.2023, Gratuity ceiling of ₹ **0.24 Crore** has been considered for actuarial valuation in respect of employees retiring after 01.01.2027.

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation / (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Opening Balance as at 01.04.2021	602.75	650.34	(47.59)
Current Service Cost	16.06	-	16.06
Past Service Cost	33.75	-	33.75
Interest Expenses/ (Income)	39.48	42.60	(3.12)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	89.29	42.60	46.69

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation / (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	2.36	(2.36)
(Gain)/loss from change in demographic assumptions	0.09	-	0.09
(Gain)/loss from change in financial assumptions	(16.51)	-	(16.51)
Experience (gains)/Losses	(9.91)	-	(9.91)
Total Amount recognised in Other Comprehensive Income	(26.33)	2.36	(28.69)
Contributions:-			
-Employers	-	(29.33)	29.33
Benefit payments	(96.53)	(99.56)	3.03
Closing Balance as at 31.03.2022	569.18	566.40	2.78

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.90 Crore** (previous year ₹ **1.36 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Venture in respect of employees of NHPC posted in the Subsidiaries/Joint Venture of the Company.

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in crore)

Particulars	31 st March 2023	31 st March 2022
Present Value of funded obligations	539.43	569.18
Fair value of Plan Assets	527.40	566.40
Deficit/(Surplus) of funded plans	12.03	2.78
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	12.03	2.78

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 assumptions			Decrease in assumptions		
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022	
Discount rate	0.50%	0.50%	Decrease by	3.33%	3.38%	Increase by	3.53%	3.60%
Salary growth rate	0.50%	0.50%	Increase by	0.40%	0.44%	Decrease by	0.46%	0.52%

- (iii) **Retired Employees Health Scheme (REHS):** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii = (i) - (ii)
2022-23			
Opening Balance as at 01.04.2022	998.37	1004.23	(5.86)
Current Service Cost	16.83	-	16.83
Interest Expenses/ (Income)	69.89	70.29	(0.40)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	86.72	70.29	16.43
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	10.86	(10.86)
(Gain)/loss from change in financial assumptions	(50.86)	-	(50.86)
Experience (gains)/Losses	85.21	-	85.21
Total Amount recognised in Other Comprehensive Income	34.35	10.86	23.49
Contributions:-			
-Employers	-	12.28	(12.28)
Benefit payments	(55.30)	(51.24)	(4.06)
Closing Balance as at 31.03.2023	1064.14	1046.42	17.72

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii = (i) - (ii)
2021-22			
Opening Balance as at 01.04.2021	948.36	1043.88	(95.52)
Current Service Cost	16.73	-	16.73
Interest Expenses/ (Income)	62.12	68.37	(6.25)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	78.85	68.37	10.48
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	7.01	(7.01)
(Gain)/loss from change in financial assumptions	(56.46)	-	(56.46)
Experience (gains)/Losses	73.19	-	73.19

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii = (i) - (ii)
2021-22			
Total Amount recognised in Other Comprehensive Income	16.73	7.01	9.72
Contributions:-			
- Employers	-	(67.30)	67.30
Benefit payments	(45.57)	(47.73)	2.16
Closing Balance as at 31.03.2022	998.37	1004.23	(5.86)

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Construction and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **1.69 Crore** (previous year ₹ **1.22 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Venture in respect of employees of NHPC posted in the Subsidiaries/Joint Venture of the Company.

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in crore)

Particulars	31 st March 2023	31 st March 2022
Present Value of funded obligations	1064.14	998.37
Fair value of Plan Assets	1046.42	1004.23
Deficit/(Surplus) of funded plans	17.72	(5.86)
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	17.72	(5.86)

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 assumptions			Decrease in assumptions		
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022	
Discount Rate	0.50%	0.50%	Decrease by	6.67%	6.67%	Increase by	6.75%	6.71%
Medical Cost Rate	0.50%	0.50%	Increase by	6.78%	6.73%	Decrease by	6.68%	6.69%

- (iv) **Allowances on Retirement/Death:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Opening Balance as at 01.04.2022	4.52	-	4.52
Current Service Cost	0.18	-	0.18
Interest Expenses/ (Income)	0.32	-	0.32

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	0.50	-	0.50
Re-measurements			
(Gain)/loss from change in demographic assumptions	(0.02)	-	(0.02)
(Gain)/loss from change in financial assumptions	(0.11)	-	(0.11)
Experience (gains)/Losses	0.05	-	0.05
Total Amount recognised in Other Comprehensive Income	(0.08)	-	(0.08)
Contributions:-			
Benefit payments	(0.70)	-	(0.70)
Closing Balance as at 31.03.2023	4.24	-	4.24

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Opening Balance as at 01.04.2021	4.83	-	4.83
Current Service Cost	0.19	-	0.19
Interest Expenses/ (Income)	0.32	-	0.32
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	0.51	-	0.51
Re-measurements			
(Gain)/loss from change in financial assumptions	(0.17)	-	(0.17)
Experience (gains)/Losses	0.19	-	0.19
Total Amount recognised in Other Comprehensive Income	0.02	-	0.02
Contributions:-			
Benefit payments	(0.84)	-	(0.84)
Closing Balance as at 31.03.2022	4.52	-	4.52

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.03 Crore** (previous year ₹ **0.03 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Venture in respect of employees of NHPC posted in the Subsidiaries/Joint Venture of the Company.

The net liability disclosed above is 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 assumptions		Decrease in assumptions		
	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022
Discount Rate	0.50%	0.50%	Decrease by	4.56%	4.34%	Increase by	4.99%	4.75%
Cost Increase	0.50%	0.50%	Increase by	5.25%	5.00%	Decrease by	4.66%	4.44%

- (v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Opening Balance as at 01.04.2022	2.72	-	2.72
Current Service Cost	0.10	-	0.10
Interest Expenses/ (Income)	0.19	-	0.19
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	0.29	-	0.29
Re-measurements			
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	(0.04)	-	(0.04)
Experience (gains)/Losses	(0.17)	-	(0.17)
Total Amount recognised in Other Comprehensive Income	(0.22)	-	(0.22)
Contributions:-			
Benefit payments	(0.36)	-	(0.36)
Closing Balance as at 31.03.2023	2.43	-	2.43

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Opening Balance as at 01.04.2021	3.12	-	3.12
Current Service Cost	0.11	-	0.11
Interest Expenses/ (Income)	0.20	-	0.20
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	0.31	-	0.31

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Re-measurements			
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	(0.08)	-	(0.08)
Experience (gains)/Losses	(0.20)	-	(0.20)
Total Amount recognised in Other Comprehensive Income	(0.28)	-	(0.28)
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.43)	-	(0.43)
Closing Balance as at 31.03.2022	2.72	-	2.72

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ NIL (previous year ₹ NIL) accounted as receivable/(payable) from/to Subsidiaries/Joint Venture in respect of employees of NHPC posted in the Subsidiaries/Joint Venture of the Company.

The net liability disclosed above is 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 assumptions		Decrease in assumptions		
	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022
Discount Rate	0.50%	0.50%	Decrease by	2.91%	3.20%	Increase by	3.00%	3.36%

- (vi) **NHPC Employees Family Economic Rehabilitation Scheme:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Opening Balance as at 01.04.2022	20.40	-	20.40
Current Service Cost	1.79	-	1.79

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Interest Expenses/ (Income)	1.23	-	1.23
Total Amount recognised in Statement of Profit and Loss	3.02	-	3.02
Re-measurements			
(Gain)/loss from change in financial assumptions	(0.28)	-	(0.28)
Experience (gains)/Losses	1.05	-	1.05
Total Amount recognised in Other Comprehensive Income	0.77	-	0.77
Contributions:-			
Benefit payments	(0.86)	-	(0.86)
Closing Balance as at 31.03.2023	23.33	-	23.33

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Opening Balance as at 01.04.2021	-	-	-
Current Service Cost	0.84	-	0.84
Past Service Cost	16.68	-	16.68
Interest Expenses/ (Income)	-	-	-
Total Amount recognised in Statement of Profit and Loss	17.52	-	17.52
Re-measurements			
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/Losses	-	-	-
Total Amount recognised in Other Comprehensive Income	-	-	-
Contributions:-			
-Employers	-	-	-
-Plan participants	3.08	-	3.08
Benefit payments	(0.20)	-	(0.20)
Closing Balance as at 31.03.2022	20.40	-	20.40

Total amount recognised in the Statement of Profit and Loss and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above is 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 assumptions			Decrease in assumptions		
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022	
Discount Rate	0.50%	0.50%	Decrease by	1.70%	2.78%	Increase by	1.77%	2.93%
Salary growth rate	0.50%	0.50%	Increase by	0.82%	1.79%	Decrease by	0.78%	1.75%

(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:

(₹ in crore)

Particulars	31 st March 2023	31 st March 2022
Discount Rate	7.35%	7.00%
Salary growth rate	6.50%	6.50%

(d) The major categories of Plan Assets are as follows:

Provident Fund:

(₹ in crore)

Particulars	31 st March 2023			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1837.40	-	1837.40	59.64
Corporate Bonds	996.38	-	996.38	32.34
Investment Funds				
Mutual Funds	139.77	-	139.77	4.54
Cash and Cash Equivalents	-	47.64	47.64	1.55
Accrued Interest	59.61	-	59.61	1.93
Total	3033.16	47.64	3080.80	100.00

(₹ in crore)

Particulars	31 st March 2022			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1808.81	-	1808.81	59.74
Corporate Bonds	1035.78	-	1035.78	34.21
Investment Funds				
Mutual Funds	75.85	-	75.85	2.51
Cash and Cash Equivalents	-	45.54	45.54	1.50
Accrued Interest	61.75	-	61.75	2.04
Total	2982.19	45.54	3027.73	100.00

Gratuity

(₹ in crore)

Particulars	31 st March 2023			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	527.38	527.38	100.00
Cash and Cash Equivalents	-	0.02	0.02	0.00
Total	-	527.40	527.40	100.00

(₹ in crore)

Particulars	31 st March 2022			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	566.39	566.39	100.00
Cash and Cash Equivalents	-	0.01	0.01	0.00
Total	-	566.40	566.40	100.00

Retired Employees Health Scheme (REHS):

(₹ in crore)

Particulars	31 st March 2023			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Corporate Bonds	412.01	-	412.01	39.37
LIC Scheme	-	619.05	619.05	59.16
Cash and Cash Equivalents	-	0.03	0.03	-
Accrued Interest	15.33	-	15.33	1.47
Total	427.34	619.08	1046.42	100.00

(₹ in crore)

Particulars	31 st March 2022			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Corporate Bonds	424.01	-	424.01	42.22
LIC Scheme	-	564.81	564.81	56.24
Cash and Cash Equivalents	-	0.02	0.02	-
Accrued Interest	15.39	-	15.39	1.54
Total	439.40	564.83	1004.23	100.00

- (e) **Risk Exposure:** Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the company is exposed to various risks as follows:

- A) **Salary Increase-** Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

- B) Investment Risk – For funded plans, asset-liability mismatch and actual return on assets at a rate 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, 2024 are ₹ **138.80 Crore**.

The weighted average duration of the defined benefit obligations is **10.37 Years** as at 31st March, 2023 (31st March, 2022: **10.49 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
31.03.2023	467.67	854.12	630.11	1087.43	3039.33
31.03.2022	490.13	877.54	588.36	1033.89	2989.92

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, Memento and NHPC Employees Family Economic Rehabilitation Scheme are as under:

(₹ in crore)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2023					
Gratuity	68.14	55.02	103.12	313.15	539.43
Post-employment Medical Benefits (REHS)	55.31	59.05	207.01	742.77	1064.14
Allowances on Retirement/Death	0.50	0.43	0.75	2.56	4.24
Memento to employees on attaining the age of superannuation	0.35	0.28	0.46	1.34	2.43
NHPC Employees Family Economic Rehabilitation Scheme	0.97	1.04	3.61	17.71	23.33
TOTAL	125.27	115.82	314.95	1077.53	1633.57

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2022					
Gratuity	78.88	62.28	113.02	315.00	569.18
Post-employment Medical Benefits (REHS)	43.38	45.99	201.89	707.11	998.37
Allowances on Retirement/ Death	0.56	0.47	0.93	2.56	4.52
Memento to employees on attaining the age of superannuation	0.41	0.35	0.61	1.35	2.72
NHPC Employees Family Economic Rehabilitation Scheme	0.80	0.82	2.56	16.22	20.40
TOTAL	124.03	109.91	319.01	1,042.24	1,595.19

- (C) **Other long-term employee benefits (Leave Benefit):** The Company provides for earned leave and half-pay leave to the employees who 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 ₹ **52.61 Crore** (Previous Year ₹ **62.09 Crore**)

11. Particulars of income and expenditure in foreign currency and consumption of spares are as under: -

		(₹ in crore)	
S. No	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
a)	Expenditure in Foreign Currency		
	i) Interest	18.78	23.47
	ii) Other Misc. Matters	24.85	6.43
b)	Value of spare parts and Components consumed in operating units.	-	-
	i) Imported	20.79	18.18
	ii) Indigenous		

12. Earnings Per Share:

- a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	3.96	4.79
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	3.82	3.52
Par value per share (₹)	10	10

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	3978.20	4808.13
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	3833.79	3537.71

c) Reconciliation of weighted average number of shares used as denominator:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Weighted Average number of equity shares used as denominator	10045034805	10045034805

13. Disclosure related to Confirmation of Balances is as under:

- (a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis.
- (b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, loans (other than employees), Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure have been sought for outstanding balances of ₹ **0.05 crore** or above in respect of each party as at 31st December, 2022. Status of confirmation of balances against total outstanding as at December 31, 2022 as well as total outstanding as on 31.03.2023 is as under:

(₹ in crore)

Particulars	Outstanding amount as on 31.12.2022	Amount confirmed	Outstanding amount as on 31.03.2023
Trade receivable (excluding unbilled)*	3197.59	3064.56	3202.93
Deposits, Loans, Advances to contractors/ suppliers/ service providers/ others including for capital expenditure	2403.98	661.07	2423.14
Trade/Other payables	654.49	146.63	742.97
Security Deposit/Retention Money payable	349.12	49.35	396.93

* Trade receivables are including receivables on account of interest receivable from Beneficiaries and net of advance from customers.

- (c) In the opinion of the management, unconfirmed balances will not require any adjustment having any material impact on the Financial Statements of the Company.

14. Disclosure related to Corporate Social Responsibility (CSR) (Refer Note 29)

- (i) As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ in crore)

S. No	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
A	Amount required to be spent during the year		
(i)	Gross amount (2% of average net profit as per Section 135 of Companies Act, 2013)	72.14	65.45
(ii)	Surplus arising out of CSR project	-	-
(iii)	Set off available from previous year	60.04	20.20
	(iv) Total CSR obligation for the year [(i)+(ii) -(iii)]	12.10	45.25
B	Amount approved by the Board to be spent during the year	173.40	138.78
C	Amount spent during the year	127.31	105.29
D	Set off available for succeeding years (C- A(iv))	115.21	60.04
E	Amount Unspent during the year	-	-

Note:- The set off available in the succeeding years has not recognised as an asset as a matter of prudence, considering the uncertainty involved in the adjustment of the same in future years.

- (ii) The breakup of CSR expenditure under various heads of expenses incurred is as below:

(₹ in crore)

S. No	Heads of Expenses constituting CSR expenses	For the year ended 31.03.2023	For the year ended 31.03.2022
1	Health Care and Sanitation	12.12	22.77
2	Education and Skill Development	66.51	35.59
3	Women Empowerment /Senior Citizen	0.31	0.48
4	Environment	1.37	0.28
5	Art and Culture	4.65	-
6	Sports	0.30	-
7	Rural Development	1.97	6.10
8	Swachh Vidyalaya Abhiyan	3.86	5.59
9	Swachh Bharat Abhiyan	0.23	0.56
10	Disaster Management	0.72	0.06
11	Contribution to Central Government Fund (including Contribution to PM CARES Fund)	30.00	30.00
12	Administrative Overhead	5.15	3.86
13	CSR Impact assessment	0.12	-
	Total amount	127.31	105.29

(iii) 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 31.03.2023			For the year ended 31.03.2022		
	Paid in cash (a)	Yet to be paid in cash (b)	Total (a+b)	Paid in cash (a)	Yet to be paid in cash (b)	Total (a+b)
(i) Construction/ Acquisition of any asset	20.08	6.85	26.93	6.68	4.60	11.28
(ii) For purpose other than (i) above	94.73	5.65	100.38	88.28	5.73	94.01
Total	114.81	12.50	127.31	94.96	10.33	105.29

- (b) As stated above, a sum of ₹ **12.50 Crore** out of the total expenditure of ₹ **127.31 crore** is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

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)

S. No	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date: a) Trade Payables: - Principal (Refer Note 20.3 of Standalone Financial Statements) - Interest b) Others: - Principal (Refer Note 20.4 of Standalone Financial Statements) - Interest	37.12 - 10.43 -	23.12 - 7.41 -
(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) Accounting Treatment of Leases as per Ind AS 116:

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company had applied the following practical expedients on initial application of Ind AS 116:

- a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- c. Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.
- d. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The weighted average incremental borrowing rate applied to leases recognised during FY 2022-23 is 6.58%.

(ii) Nature of lease: The Company's significant leasing arrangements are in respect of the following assets:

- (a) Premises under cancellable lease arrangements for residential use of employees ranging from 3-4 months to three years.
- (b) Premises for offices, guest houses and transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.
- (c) Land obtained on lease for construction of projects and / or administrative offices.
- (d) Vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable.

(iii) Amount recognised in the Statement of Profit and Loss / Expenditure Attributable to Construction in respect of short term, low value and variable lease are as under:

(₹ in crore)

S. No	Description	31.03.2023	31.03.2022
1	Expenditure on short-term leases	9.76	10.92
2	Variable lease payments not included in the measurement of lease liabilities	3.86	4.96

(iv) Commitment for Short Term Leases as on 31.03.2023 is ₹ **2.95 Crore** (Previous Year ₹ **4.26 Crore**).

(v) Movement in lease liabilities during the year:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Opening Balance	15.15	12.65
Additions in lease liabilities	1.12	5.19
Finance cost accrued during the year	1.11	1.11
Less: Payment of lease liabilities	3.29	3.80
Closing Balance	14.09	15.15

B) Finance Lease – Company as Lessor

-Power Stations as Finance Lease

The Company has entered into lease arrangements 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 obligated to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). Further, the Company has entered into a supplementary PPA with M/s West Bengal State Electricity Development Corporation Limited (WBSEDCL) for offtake of the entire power generated by TLDP-III Power Station for its balance useful life of 35 years on mutually agreed tariff w.e.f 1st April, 2019. The arrangements have been assessed by the Company and classified as a Finance Lease. Other financial assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the finance lease arrangements entered into by the company.

Income from Finance Lease for the year is ₹ **327.80 Crore** (previous year ₹ **344.95 Crore**).

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as at 31.03.2023:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Undiscounted lease payments receivable:		
Less than one year	443.31	448.92
One to two years	436.94	449.37
Two to three years	389.72	441.50
Three to four years	295.05	394.94
Four to five years	288.84	298.09
More than five years	6,359.44	6,727.79

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Total undiscounted lease payments receivable	8,213.30	8,760.60
Add: Unguaranteed residual value	383.22	382.48
Less: Unearned finance income	6,188.87	6,587.86
Net investment in the lease	2,407.65	2,555.22
Discounted unguaranteed residual value included in the net investment in lease	7.74	6.98

Significant changes in the carrying amount of the net investment in finance leases

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Opening Balances	2555.22	2,664.46
Additions/(deductions) during the year	6.75	19.25
Income from Finance Lease for the year	327.80	344.95
Less: Amount received during the year	482.12	473.44
Closing Balances	2407.65	2,555.22

C) Operating Lease – Company as Lessor:

The Company has entered into Power Purchase Agreements (PPA) with WBSEDCL for sale of power from TLDP-IV power station for a period of 10 years and with Jodhpur Vidyut Vitran Nigam Limited (JVVNL) for sale of power from 50 MW Wind Power Project, Jaisalmer for a period of 3 years. Power Purchase Agreement with JVVNL has expired on March 31, 2019 and extension of PPA is under process, though power is being scheduled to the customer. As per the PPAs, the customer is obligated to purchase the entire output of these Power Stations/Power Projects at mutually agreed tariff in case of TLDP-IV Power Station and on the basis of pooled cost of power for 50 MW Wind Power Project. The Company has determined that these arrangements are in the nature of an Operating Lease.

Income from Operating Lease for the year is ₹ **392.40 Crore** (previous year ₹ **384.07 Crore**).

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as per Power Purchase Agreement:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Less than one year	312.21	312.21
One to two years	312.21	312.21
Two to three years	312.21	312.21
Three to four years	320.10	312.21
Four to five years	320.10	320.10
More than five years	960.30	1280.41
Total	2537.13	2849.35

17. Disclosures under Ind AS-27 'Separate Financial Statements':

(a) Interest in Subsidiaries:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31.03.2023	31.03.2022
NHDC Limited	India	Power Generation	51.08%	51.08%
Loktak Downstream Hydroelectric Corporation Limited	India	Power Generation	74.82%	74.83%
Bundelkhand Saur Urja Limited	India	Power Generation	86.94%	86.67%
Lanco Teesta Hydro Power Limited (Refer Note No. 17.1 of Note 34)	India	Power Generation	100.00%	100.00%
Jalpower Corporation Limited (Refer Note No. 17.2 of Note 34)	India	Power Generation	100.00%	100.00%
Ratle Hydroelectric Power Corporation Limited (w.e.f 01.06.2021)	India	Power Generation	51.00%	73.53%
NHPC Renewable Energy Limited w.e.f. 16.02.2022 (Refer Note No. 17.3 of Note 34)	India	Power Generation	100.00%	-
Chenab Valley Power Projects Private Limited (w.e.f 21.11.2022) (Refer Note No. 17.4 of Note 34)	India	Power Generation	52.74%	-

- 17.1** The Board of Directors of the Company in its meeting held on December 7, 2021 has approved the merger/ amalgamation of Lanco Teesta Hydro Power Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited under Section 230-232 of the Companies Act, 2013 and other statutory provisions as per the terms and conditions mentioned in the Scheme of Amalgamation (Scheme). Application for approval of the "Scheme of Merger/Amalgamation of Lanco Teesta Hydro Power Limited (LTHPL) with NHPC Limited" has been filed before the Ministry of Corporate Affairs (MCA) on August 10, 2022 after receiving consent from the Government of India. In this regard MCA has issued certain directions and the Company is in the process of compliance of these directions.
- 17.2** The Board of Directors of the Company in its meeting held on September 24, 2021 has approved the proposal to initiate the process of merger of Jalpower Corporation Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited as per applicable provisions of the Companies Act, 2013. Approval of the Ministry of Power, Government of India has been conveyed on 26th April, 2023. Application for approval of the Scheme of Merger/ Amalgamation of shall be filed before the Ministry of Corporate Affairs (MCA) in due course.
- 17.3** Company has incorporated a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. There was no investments in NREL during FY 2021-22.
- 17.4** During FY 2021-22, the Company had acquired 2% equity of PTC India Limited (PTC) in Chenab Valley Power Projects Private Limited (A Joint Venture Company between NHPC (49%), Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) (49%) and PTC (2%)). Subsequent to this, shareholding of NHPC had crossed 50%. However pending modification in the Promoter's Agreement, during FY 2021-22, CVPPPL was accounted for as a Joint Venture owing to control being exercised jointly with the other joint venturer (JKSPDCL) in terms of the Joint Venture agreement. During FY 2022-23, the Supplementary Promoters' Agreement of Chenab Valley Power Projects Private Ltd. (CVPPPL) has been signed between NHPC and JKSPDC on 21.11.2022. As per the said agreement, NHPC has majority representation on the Board of CVPPPL and has gained control over CVPPPL

from that date. Accordingly, this date has been considered as the date of acquisition under Ind AS 103 “Business Combinations”. Status of CVPPPL has changed from a Joint Venture to a Subsidiary Company w.e.f. 21.11.2022.

(b) Interest in Joint Ventures:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31.03.2023	31.03.2022
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 (till 20.11.2022) (Refer Note No. 17.4 of Note 34)	India	Power Generation	-	55.13%

Equity investments in Subsidiaries and Joint Ventures are measured at cost as per the provisions of Ind AS 27 - 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 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, seven CGUs of the Company and two CGUs of one of the subsidiaries were assessed for impairment as on 31st March, 2023. 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, one Renewable Energy Generation Station and the four most recently commissioned Power Stations over 100 MW capacity. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment. In respect of the subsidiary, both the operating power stations have been considered for impairment assessment.

The impairment analysis was 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 Venture during FY 2022-23, except for impairment of investment/ Loan in one Subsidiary Company and one Joint Venture Company as under:

- (i) **Impairment in respect of Investment in Loktak Downstream Hydroelectric Corporation Limited (Subsidiary Company):** Considering the delay in investment sanction (PIB & CCEA) and high projected tariff, impairment provision of ₹ 105.56 crore being the investment made in Loktak Downstream

Hydroelectric Corporation Limited has been recognized in the books of the Company during the FY 2022-23

- (ii) **Impairment in respect of Investment in National High Power Test Laboratory Pvt. Ltd. (Joint Venture Company):** During the current year, the Company has recognized additional impairment provision of ₹ 16.33 crore (Previous year ₹ 14.07 crore) against total investment of ₹ 30.40 crore in National High Power Test Laboratory Pvt. Ltd. (NHPTL), a Joint Venture Company. Accordingly, the entire investment of the Company in NHPTL stands provided for as on 31st March, 2023
- (iii) **Impairment in respect of Loan to National High Power Test Laboratory Pvt. Ltd. (Joint Venture Company):** During FY 2020-21, the Company had granted loan of ₹ 18.40 crore with interest bearing at the rate of 10% p.a. compounded annually to NHPTL. The interest is payable half yearly on 30th April and 31st October in every financial year starting from 30.04.2021. The loan was repayable in 20 equal half-yearly instalments starting from 31.10.2022. However, considering default in repayment of interest and instalment due on 31.10.2022, the Company has recognized an impairment provision of ₹ 18.40 crore during the year due to significant uncertainty in realisation.

Further, there exists no impairment in respect of the Projects / Power Stations of the company and its subsidiaries tested for impairment during FY 2022-23.

- 19. As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deducted from free power to the State Government, there shall not be any impact on the profit of the Company.
- 20. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for any related impact in the year the Code becomes effective.
- 21. Nature and details of provisions (refer Note No. 17 and 22)

(i) **General**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When a provision is discounted, 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 of Standalone Financial Statements):**

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.

(iii) Other Provisions:

a) Provision for Tariff Adjustment:

Provision for tariff adjustment is made on estimated basis against probable refund to beneficiaries on reassessment of tariff billed, pending approval of Tariff/ truing up for the Year 2014-19/ 2019-24 by the Central Electricity Regulatory Commission (CERC).

b) Provision for Livelihood Assistance:

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the following periods:

- 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 of 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 Policy and Construction Plant and Machinery Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

e) Provisions for expenditure in respect of Arbitration Award/Court cases:

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

f) Provisions- Others: This includes provisions towards:-

- (i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.
- (ii) Wage revision of Central Government Employees whose services are utilised by the company.
- (iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.
- (iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.

- (v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.
- (vi) Provision for impairment of investment by Employees Provident Fund Trust in certain interest-bearing Financial Instruments including interest accrued thereon but not received.
- (vii) Provision for cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) as per Management estimate.

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 from 16.12.2011 to 30.09.2019 due to cases filed before the National Green Tribunal. Technical and administrative work at the project, however, continued.

Vide order dated 31st July 2019, the Hon'ble NGT 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 were dismissed. Active construction work at the project was resumed from October 2019.

In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ **2735.61 Crore** (upto Previous year ₹ **2735.61 Crore**), employee benefits expense, depreciation and other expense of ₹ **1427.67 crore** (upto Previous year ₹ **1427.67 Crore**), net of other income

of ₹ **322.60 Crore** (upto Previous year ₹ **322.60 Crore**) incurred till 30th September 2019 was charged to the Statement of Profit and Loss.

CERC Tariff Regulations allows inclusion of such costs for fixation of tariff in case the cessation of construction activities were beyond the control of the Project Developer. Accordingly, and in line with Guidance Note on Rate Regulated Activities and Ind AS 114, the aforesaid expenditure has further been recognized as Regulatory Deferral Account (Debit) balances

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.

The total Regulatory Deferral Account Debit balances recognised in respect of Subansiri Lower Project for and upto the year ended 31.03.2023 are as under:

(₹ in crore)	
Regulatory asset created in relation to:	Upto 31.03.2023
Borrowing Costs	2509.67
Employee Benefit expense	628.73
Depreciation and Amortisation	54.86
Other Expense	562.83
Other Income	(285.50)
Total	3470.59

No regulatory deferral account balances in respect of Subansiri Lower Project has been recognized during the year 2022-23.

As per management assessment, there is no impairment in the carrying amount of ₹ **13947.17 crore** (Previous Year ₹ **10479.22 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 earlier Tariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo, the Tariff Regulations for the period 2019-2024 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:

- 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.
- Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating company but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):

Pay of employees of CPSUs including Central Govt. Employees under IDA pay scale has been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹ **0.10 crores** to ₹ **0.20 crores** with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations including employees of Kendriya Vidyalaya and CISF Personnel is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner company as on 31.12.2006 from the beneficiaries in twelve equal monthly installments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", additional expenditure on employee benefits (including employees of Kendriya Vidyalaya and CISF Personnel) due to revision of pay/gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income till 31st March 2019, amounting to ₹ 631.90 Crore have been recognized as 'Regulatory Deferral Account balances'.

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 from FY 2019-20 has been recognized as revenue with corresponding Trade Receivables.

During the current year, these balances have been billed to beneficiaries as per tariff order received against petition filed with CERC in this regard. Accordingly the outstanding amount under Regulatory Deferral Account balances has been adjusted during the year. Summary of total RDA Debit balances recognized and adjusted till 31.03.2023 in the financial statement are as under:

(₹ in crore)		
S. No	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	456.38
B	Addition during the year (+)	-
C	Amount Used/collected during the year (-)	(456.38)
D	Regulatory income recognized in the Statement of Profit and Loss & Other Comprehensive Income (B+C)	(456.38)
E	Closing balance as on 31.03.2023 (A+D)	-

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 30 years by way of charging 1.5% depreciation from the 1st to the 10th year and 2.5% depreciation from 11th to the 40th year, thus aggregating 90 percent of the Capital Cost of the Power Station. This moderation, with the intent to reduce tariff in the initial years of operation, has been duly approved by the CERC.

Moderation of depreciation rates for tariff determination in Kishanganga Power Station gives rise to a significant mismatch by way of higher depreciation charged in the books (as per CERC Tariff Regulations, 2019-24) during the first 12 years of commercial operation and recovery by way of tariff as per Tariff Order of the Power Station approved by the CERC. The lower recovery during the first 12 years would, however, be compensated over the balance period of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", difference between depreciation charged to the Statement of Profit and Loss Account as per Tariff Regulations 2019-24 and the depreciation allowed by way of tariff and which is recoverable from the beneficiaries in subsequent periods is being recognized as 'Regulatory Deferral Account balances' with effect from Commercial Operation Date of the Power Station. RDA balances created during the first 12 years of commercial operation shall be recovered from beneficiaries by way of higher depreciation as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 28 years.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in crore)		
S. No	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	761.46
B	Addition during the year (assets +)	199.36
C	Amount Used/collected during the year (-)	-
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)	199.36
E	Closing balance as on 31.03.2023 (A+D)	960.82

The Company has long term Power Purchase Agreements in respect of Kishanganga Power Station. Since the proposal for moderation of tariff already stands approved by the CERC, the Company does not envisage any significant risk as regards recoverability of the Regulatory Deferral Account balances created in respect of Kishanganga Power Station.

However, as depreciation charge in the books and recovery thereof through tariff are dependent on the Capital Cost of the Power Station as allowed by CERC, recovery of the regulatory deferral account balances in respect of Kishanganga Power Station would be subject to Regulatory Risk. Approval of actual capital expenditure on the Power Station including expenditure on account of time and cost overruns etc. are subject to prudence check by the CERC. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

D) Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items:

As per Ind AS 23- "Borrowing Costs", borrowing cost on foreign currency loans to the extent treated as an adjustment to interest costs is allowed to be capitalised during construction period. Further, Ind AS 21-"The Effects

of Changes in Foreign Exchange Rates” provides that exchange differences arising on settlement or translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in the Profit and Loss in the period in which they arise.

Para D13AA of Ind AS 101- “First Time Adoption of Ind AS” provides that a first-time adopter may continue the existing accounting Policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss.

As per the CERC Tariff Regulations 2014-19, any gain or loss on account of exchange risk variation shall be recoverable as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during Operation and Maintenance (O&M) period. Further, CERC in previous tariff orders has allowed exchange differences incurred during the construction period as a part of capital cost.

Keeping in view the provisions of Ind AS 114- “Regulatory Deferral Accounts” as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, exchange differences arising on translation/ settlement of foreign currency monetary items to the extent charged to the Statement of Profit and Loss are being recognized as ‘Regulatory Deferral Account balances’ with effect from 01.04.2016. These balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries after Commercial Operation Date (COD) of the Project.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

		(₹ in crore)
S. No	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	1.55
B	Addition during the year (assets +)	1.10
C	Amount Used/collected during the year (-)	-
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)	1.10
E	Closing balance as on 31.03.2023 (A+D)	2.65

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 / Payable to 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 2019-20.

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)		
S. No	Particulars	Regulatory Deferral Account Debit Balances
A	Opening balance as on 01.04.2022	1404.04
B	Addition during the year (assets +)	-
C	Amount Used/collected during the year (-)	(56.09)
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)	(56.09)
E	Closing balance as on 31.03.2023 (A+D)	1347.95

In respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19 and onwards):

(₹ in crore)		
S. No	Particulars	Regulatory Deferral Account Debit Balances
A	Opening balance as on 01.04.2022	854.09
B	Addition during the year (assets +)	1.18
C	Amount Used/collected during the year (-)	(217.16)
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)	(215.98)
E	Closing balance as on 31.03.2023 (A+D)	638.11

Regulatory Deferral Account Credit balances on account of Minimum Alternative Tax (MAT) Credit:

The Company has recognised Deferred Tax Assets on account of MAT Credit entitlement amounting to ₹ **1895.93 Crore** upto FY 2022-23 (upto previous year ₹ **1478.62 crore**) based on management estimate that sufficient taxable profit will be available in future to utilize the amount of recognised MAT Credit in the Books of Accounts.

MAT Credit arising out of generating income as and when utilized by the Company is to be passed on to the beneficiaries. Accordingly, Regulatory Deferral Account (Credit) Balance of ₹ **1438.86 crore** upto the current year (previous year ₹ **1313.27 crore**) has been recognised in respect of MAT Credit to be utilised in future and further passed on to the beneficiaries.

Out of the above, an amount of ₹ **125.59 crore** has been used during the current year (previous year **NIL**) and on review, ₹ **390.07 crore** has been reversed being regulatory liability recognized in respect of Power Stations where tariff has been fixed on negotiated basis with the beneficiaries.

The Movement in Regulatory Deferral Account Credit Balances recognized/ (utilized) in respect of MAT Credit payable to beneficiaries in future periods are as follows:

		(₹ in crore)
S. No	Particulars	Regulatory Deferral Account Credit Balances
A	Opening balance as on 01.04.2022	1313.27
B	Addition during the year (assets +)/ liability (-)	125.59
C	Sub Total (A+B)	1,438.86
D	Amount used during the year	125.59
E	Amount Reversed During the year	390.07
F	Closing balance as on 31.03.2023 (C-D-E)	923.20

Recoverability of Regulatory Deferral Account (Debit) balance recognised on account of deferred tax recoverable upto tariff period 2004-2009, Deferred Tax adjustment against Deferred Tax Liabilities pertaining to tariff period 2014-19 and onwards and discharge of Regulatory Deferral Account (Credit) balance created on MAT Credit are dependent upon the future operating performance of the Company. Further, since these Regulatory Deferral Account (Debit) 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 31.03.2023 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 31.03.2023	Balance receivable 31.03.2022	
Business Interruption Loss	202.98	74.01	-	128.97*	128.97*	

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

Income recognised in respect of Business Interruption Loss during the year is **NIL** (Cumulative as on date is ₹ **NIL**).

- (ii) Sewa - II Power Station, where Head Race Tunnel (HRT) was damaged on September 25, 2020 due to land slide. Restoration of the damages has since been completed and power station is currently in operation. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2023 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 31 st March, 2023	Balance receivable As at 31 st March, 2022	
Against material damage	51.92	25.00	11.92	15.00	39.07	
Business Interruption Loss	204.00*	165.00	-	39.00	63.74**	
Total	255.92	190.00	11.92	54.00	102.81	

Net of additional premium amounting to ₹ **36.00 Crore** as per Insurance Policy.

** Included in Contingent Assets in Para 2 (d) to Note no. 34.

Income recognised in respect of Business Interruption Loss during the year is ₹ **42.14 Crore** (Cumulative as on date is ₹ **204.00 Crore**).

- (iii) Status of Insurance claim in respect of power stations (other than major claims of Uri-II, and Sewa-II disclosed at para 23 (i) and (ii) above) as on 31.03.2023 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 31 st March, 2023	As at 31 st March, 2022
Against material damage	70.20	6.87	22.01	41.32	38.69
Total	70.20	6.87	22.01	41.32	38.69

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 ₹ **226.94 Crore** (previous year ₹ **226.78 Crore**) incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision in respect of ibid expenditure had been recognised in earlier years and the same has been continued in the books of accounts.
25. Kotlibhel-IA, 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. In accordance with the direction of Hon'ble Supreme Court dated 24.11.2015, MoEF&CC has filed an affidavit in the Hon'ble Court on 17.08.2021, based on consensus of MoEF&CC, Ministry of Power, Ministry of Jal Shakti and State Govt. of Uttarakhand for construction of 7 hydroelectric projects, which does not include Kotli Bhel IA, IB & II projects. Pending final decision of the Hon'ble Supreme Court about the outcome of these projects, the expenditure incurred upto 31.03.2023 amounting to ₹ **279.75 crore** (previous year ₹ **278.11 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-1B and Kotlibhel-1I projects respectively. However, as an abundant precaution, provision for these amounts totalling ₹ **374.12 crore** (previous year ₹ **372.48 Crore**) up to 31.03.2023 has been made in the books of accounts.
26. Expenditure incurred on Tawang Stage-I and Stage-II Hydroelectric Projects amounting to ₹ **237.15 crore** (previous year ₹ **237.15 Crore**) has been carried forward as Capital Work in Progress. However, considering delay in receipt of clearances, difficulty in acquisition of land and overall uncertainties associated with these projects, provision for expenditure incurred in these projects up to 31.03.2023 amounting to ₹ **237.15 crore** (previous year ₹ **237.15 crore**) has been made in the accounts as an abundant precaution. Further, the Company is in the process of handing over these projects to NEEPCO subject to fulfilment of requisite conditions.
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 31.03.2023 amounting to ₹ **35.91 Crore** (previous year ₹ **35.70 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.91 Crore** (previous year ₹ **35.70 Crore**) has been made in the books of accounts.
- b) Measures to reduce capital cost and optimise tariff of Goriganga IIIA Project are being explored. Pending decision on the same, the expenditure incurred upto 31.03.2023 amounting to ₹ **46.37 Crore** (previous year ₹ **46.37 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.37 Crore** (previous year ₹ **46.37 Crore**) has been made in the books of accounts.

28. Disclosure regarding Monetization/ Securitisation:**Monetization/ Securitisation during FY 2022-23 :**

During FY 2022-23, the Company has entered into an agreement with State Bank of India for monetization of free cash (consisting Return on Equity, revenue from Secondary Energy and Capacity Incentive) of Uri-I Power Station for 10 years under the National Monetisation Pipeline issued by the NITI Aayog for an amount of ₹ **1876.37 Crore** which is repayable to the Bank over a period of 10 years in the following manner:

- (a) **Fixed Component: Rs 22.42 Crore** per month @ 7.65% discount rate (3M MCLR of SBI plus spread of 0.05%). The applicable discount rate from the date of disbursement till date of first reset shall be the rate based on benchmark rate one day prior to date of disbursement and spread as quoted by bidder. First such reset shall take place on 1st April 2023 and every three months thereafter.
- (b) **Variable Component:** 5% of revenue on account of secondary energy of the Power Station, payable annually.

Monetization/ Securitisation during FY 2021-22 :

During FY 2021-22, the Company has entered into an agreement with HDFC Bank Limited for securitisation of Return on Equity (ROE) of Chamera-I Power Station under the National Monetisation Pipeline issued by the NITI Aayog for an amount of ₹ **1016.39 crore** which is repayable to the Bank over a period of 10 years in the following manner:

- a) **Fixed Component: ₹ 10.90 crore** per month @ 5.24% discount rate (3-month T-bill 3.71% as on 31-Jan-2022 plus spread of 1.53%). The discount rate shall be reset every three months based on the benchmark rate. First such reset was done on the first day of April 2022 and every three months thereafter.
- b) **Variable Component:** 5% of revenue on account of secondary energy of the Power Station, payable annually.

The amount realized on monetization has been initially recognised as a Financial Liability (Borrowings) at fair value in accordance with Ind AS 109. Interest expense has been recognised under Finance Cost/Expenditure Attributable to Construction as per the Effective Interest Rate method.

29. Disclosure required as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**(A) Loans and advances in the nature of loans:****(i) Subsidiary Companies:**

Name of Company	Outstanding Balances as at		Maximum amount outstanding during the Year	
	31.03.2023	31.03.2022	2022-23	2021-22
Lanco Teesta Hydro Power Limited	60.06	-	201.61	-
Jalpower Corporation Limited	-	-	55.57	-

(ii) Joint Venture Companies:

Name of Company	Outstanding Balances as at		Maximum amount outstanding during the Year	
	31.03.2023	31.03.2022	2022-23	2021-22
National High Power Test Laboratory (P) Ltd. (NHPTL)*	18.82	18.82	18.82	18.82

* Impairment Provision against loan to NHPTL has been recognised. [Refer Note 34 (18)]

(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 Carbon Credit Certificates in respect of Hydro Generating Power Stations:

S. No	Description	Quantity (in Numbers)	
		For the year ended 31.03.2023	For the year ended 31.03.2022
1	Opening Balance	2436839	6930932
2	Issued/Generated during the Year	-	138595
3	Sold during the year	-	4632688
4	Closing Balance	2436839	2436839
5	Under Certification	28304999	-

31. Disclosure regarding Relationship with Struck off Companies: Following is the disclosure regarding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as per requirement of Schedule-III of the Companies Act, 2013:

Outstanding Payables/Receivables in respect of Struck off Companies as on 31st March 2023

(₹ in crore)

S. No	Name of Struck off Company	Nature of transaction with Struck off Company	Balance Outstanding as at 31 st March 2023	Relationship with the struck off company
1	KISHAN SINGH AND CO PVT LTD	Receivable	0.22	Contractor
2	RMS ELECTRONICS PRIVATE LIMITED	Payable	0.02	Contractor
3	VIRTUAL ELECTRONICS COMPANY	Payable	0.01	Contractor
4	GREAT EASTERN TRADING CO LTD	Payable	0.01	Contractor
5	R.K.BUILDING SOLUTIONS PVT. LTD	Payable	0.06	Contractor
6	ROLTAMAX PORT-TECH PRIVATE LTD	Payable	0.02	Contractor
7	KRCC INFRA PROJECTS PVT. LTD.	Payable	0.35	Contractor

Note: Outstanding Balances with 17 number of Struck off companies whose Individual receivable/payable amount is less than ₹ 50,000/-. Sum of all such recoverable cases amounts to ₹ **NIL** and sum of all such payable cases amounts to ₹ **186,507/-**.

The following information regarding Outstanding Payables/Receivables from Struck off Companies were disclosed during the previous year:

(₹ in crore)

S. No	Name of Struck off Company	Nature of transaction with Struck off Company	Balance Outstanding as at 31 st March 2022	Relationship with the struck off company
1	KISHAN SINGH AND CO PVT LTD	Receivable	0.22	Contractor
2	RMS ELECTRONICS PRIVATE LIMITED	Payable	0.02	Contractor
3	TOTAL SOLUTIONS PRIVATE LIMITED	Payable	0.02	Contractor
4	R.K.BUILDING SOLUTIONS PVT. LTD	Payable	0.13	Contractor
5	ROLTAMAX PORT-TECH PRIVATE LTD	Payable	0.02	Contractor
6	ROYAL BIOTECH PRIVATE LIMITED	Payable	0.03	Contractor

Note: Outstanding Balances with 9 number of Struck off companies whose Individual receivable/payable amount is less than ₹ 50,000/-. Sum of all such recoverable cases amounts to ₹ **15,770/-** and sum of all such payable cases amounts to ₹ **81,643/-**.

Equity Shares of NHPC Limited held by struck off companies as on 31st March 2023

S. No	Name of Struck off Company	Number of equity shares held by the struck off company	Nature of transactions with struck off companies
1	UNICON FINCAP PRIVATE LIMITED	1,20,100	Equity Shares of NHPC Limited held by the struck off company
2	DEEPLOK SECURITIES LTD.	50,000	
3	VITALINK WEALTH ADVISORY SERVICES PRIVATE LTD	6,393	
4	TRADESHARE FINANCIAL SERVICES PVT LTD	2,000	
5	HARSH STOCK PORTFOLIO PRIVATE LIMITED	1,426	
6	OMJI SPACES PVT LTD	500	
7	WIZARD INSURANCE SERVICES PVT LIMITED	320	
8	ZENITH INSURANCE SERVICES PVT LTD	320	
9	SIDDHA PAPERS PRIVATE LIMITED	301	
10	HARESH EXTRUSION COMPANY PRIVATE LIMITED	250	
11	DREAMS BROKING PVT LTD	50	
12	RISING STAR REAL ESTATE PRIVATE LIMITED	40	
13	SUSIE AND ROSA REAL ESTATE MARKETING PVT LTD	13	
14	SANVI FINCARE CONSULTANCY PRIVATE LIMITED	2	
15	KOTHARI INTERGROUP LTD.	1	

The following information regarding Equity Shares of NHPC Limited held by Struck off Companies were disclosed during the previous year:

S. No	Name of Struck off Company	Number of equity shares held by the struck off company	Nature of transactions with struck off companies
1	QUANTUM SECURITIES P LTD	7000	Equity Shares of NHPC Limited held by the struck off company
2	VITALINK WEALTH ADVISORY SERVICES PRIVATE LTD	6393	
3	SUYASH MERCANTILE PVT. LTD.	4500	
4	TRADESHARE FINANCIAL SERVICES PVT LTD	2000	
5	HARSH STOCK PORTFOLIO PRIVATE LIMITED	1426	
6	OMJI SPACES PVT LTD	500	
7	WIZARD INSURANCE SERVICES PVT LIMITED	320	
8	ZENITH INSURANCE SERVICES PVT LTD	320	
9	SIDDHA PAPERS PRIVATE LIMITED	301	
10	HARESH EXTRUSION COMPANY PRIVATE LIMITED	250	
11	SUSHIL SECURITIES PRIVATE LIMITED	100	
12	GSB SHARE CUSTODIAN SERVICES LIMITED	100	
13	GVJ PROJECTS PRIVATE LIMITED	59	
14	DREAMS BROKING PVT LTD	50	
15	RISING STAR REAL ESTATE PRIVATE LIMITED	40	
16	SUSIE AND ROSA REAL ESTATE MARKETING PVT LTD	13	
17	SANVI FINCARE CONSULTANCY PRIVATE LIMITED	2	
18	KOTHARI INTERGROUP LTD.	1	

32. Impact of change in the accounting policies: During the year, following changes to the accounting policies have been made:

- (i) Accounting Policy on Recognition of Carbon Credits/ CERs/VERs has been added under significant accounting policies. There is no impact on profit due to the above change.
- (ii) Depreciation on assets provided to employees at residential Office has been revised due to implementation of new Scheme for providing furniture/furnishing at the residential office of employees during the year. Impact on profit due to the above change is insignificant.

33. During the Financial year, there is no delay by the Company in the registration of charges or satisfaction with Registrar of Companies beyond statutory period except in one case which is disclosed as under:

Brief description of the charges or satisfaction	Location of the Registrar	Period (in days or months) by which such charge had to be registered	Date of actual registration of charge	Reason for delay in registration
Charge created on 27 th January 2023 in respect of Movable/ immovable assets of NHPC against borrowings from State Bank of India	NCT of Delhi & Haryana	30 Days	28 th February, 2023	In the instant case, there was a delay of 2 days in filing the charge with ROC. The delay had occurred due to difficulty faced in registration due to compatibility issue of DSC by the charge holder i.e. State Bank of India with new V3 version of MCA portal.

34. Other Disclosure required under Schedule-III of the Companies Act, 2013:

- (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (iv) There were no scheme of Arrangements approved by the competent authority during the year in terms of sections 230 to 237 of the Companies Act, 2013. However current status of the ongoing amalgamation process of LTHPL and JPCL (subsidiaries of the Company) are given at Note No. 17.1 & 17.2 of Note 34 the Standalone Financial Statements.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The provisions of clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act, 2013.

- (vii) No proceedings have been initiated or are pending against the company under the Benami Transactions (Prohibition) Act, 1988.
- (viii) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts.
- (ix) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

35. Figures for the previous year have been re-grouped/re-arranged/re-classified/re-stated wherever necessary.

For and on behalf of Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi

Date : 29th May, 2023

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 share of net Profit/ (Loss) in its Joint Ventures, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the 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 and its Joint Ventures as at March 31, 2023, and total consolidated comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated 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 and its Joint Ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have considered the matters described below to be the Key Audit Matters for incorporation in our Report. We have fulfilled the responsibilities described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the Holding Company's management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements. The below mentioned key audit matters have been reported taking into account such matters to the extent considered material and relevant for the purpose of Consolidated Financial Statements of the Group in respect of two subsidiaries where Key Audit Matters have been reported by the statutory auditors in their reports on the financial statements of those Companies. The statutory auditors of other components have not reported any Key Audit Matters in their reports on the financial statements of the respective companies.

The figures and the matters referred herein below under Key Audit Matters unless specifically mentioned otherwise pertain to the Holding Company only since such figures in case of all other components have not been reported upon by the statutory auditors.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
1.	<p>Regulatory Deferral Account Debit Balances and accruals of revenue pending tariff Notifications.</p> <p>The operating activities of the Holding 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. The Holding Company invoices its customers on the basis of pre-approved/provisional tariff which is subject to truing up.</p> <p>The Holding Company recognizes revenue as the amount invoiced to customers based on pre-approved/ provisional tariff rates agreed with the regulator. As the Holding Company is entitled to a fixed return on equity, the difference between the revenue recognized and entitlement as per the regulations is recognized as regulatory assets / liabilities.</p> <p>As at 31st March 2023, the Holding Company has recognized Regulatory Deferral Account Debit balances of ₹ 6420.12 Crores (₹ 6948.11 Crores up to March 31, 2022) as given in Note 14.1 of the Standalone Financial Statements of the Holding Company. This include accruals aggregating to ₹ 3470.59 Crores 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) of the Consolidated Financial Statements.</p> <p>Similar matter has also been reported by statutory auditors of NHDC Limited, one of the subsidiaries of the Holding Company.</p> <p>Regulatory Deferral Accounts Debit Balances are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. The Regulatory Deferral Accounts Debit Balances are recognized on undiscounted basis based on the estimates and assumptions with respect to the probability that future economic benefit will flow to the entity as a result of actual or expected action of regulator under applicable regulatory framework and therefore recoverability thereof is dependent upon Tariff Regulations and related approvals and notifications.</p> <p>The accruals made as above are vital and proprietary to the business in which the Holding 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 finalization of tariff by CERC and commencement of operations of the Projects.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying value of Regulatory Deferral Account Debit Balances include the following:</p> <ul style="list-style-type: none"> • 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. • Assessing the application of provisions of Ind AS 114, Guidance Note on Accounting of Rate Regulated Activities issued by ICAI for recognition of regulatory deferral balances. • The above includes the evaluation of the CERC guidelines and acceptance of the claim made by the Holding 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) of Consolidated Financial Statements 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. • Reviewed the adequacy and reasonableness of amounts recognised and measurement policies followed by the Holding Company in this respect and adequacy of the disclosure made with respect to the same.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
2.	<p>Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)</p> <p>Each of the Power Station/ Project has been considered as Cash Generating Unit (CGU) of the Holding Company and impairment indicators and requirements thereof have been assessed with respect to the Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP) in respect of projects as given in Note 34(19) of Consolidated Financial Statements. This has been assessed that no significant change with an adverse effect on the Holding 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 Holding Company operates. Based on the assessment, the Holding Company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the Holding Company tested for impairment during the year 2022-23. Based on the above assessment, no provision for impairment against PPE or CWIP has been considered necessary by the Holding Company.</p> <p>Impairment exercise undertaken which justifies the carrying amount of certain assets as above include the regulatory deferral account balances pertaining to Subansiri Lower HE Project as dealt with under para 1 above, is significant and vital to the Company's operations.</p> <p>Similar matters have also been reported by statutory auditors of NHDC Limited and Bundelkhand Saur Urja Limited (BSUL), subsidiaries of the Holding Company.</p> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> ● Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 36. ● 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: <ul style="list-style-type: none"> – Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances. – Price assumptions 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 of Directors and the efforts and steps being undertaken in this respect. ● Reliance has been placed on management projections for completion timeline, volume of generation and resultant revenue based on expected tariff there against.
3.	<p>Contingent Liabilities – against claim from Contractors (Note 34(2)(a)(i)) of Consolidated Financial Statements</p> <p>Various claims lodged by the Contractors on Holding company against Capital Works amount to ₹ 9971.13 Crores of which ₹ 1116.93 Crores have been provided for, ₹ 8556.95 Crores have been disclosed under Contingent Liabilities and in respect of rest of the claims, possibility of any outflow is considered as remote. This includes matters under arbitration and/ or before the Court which have been decided against the Company. Further, amounts have been paid/ deposited pursuant to the NITI Aayog directions or Court order in some cases as referred in Note 34 (2) (e) (i) & (ii) of the Consolidated Financial Statements.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:</p> <ul style="list-style-type: none"> ● Obtained the status of the cases 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 Holding Company. ● Discussion with management and reading/ reviewing the correspondences, Memos and Notes on related matters.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	<p>In case of NHDC Limited, one of the subsidiaries of the Holding Company, the amount of such claim as disclosed in Contingent Liabilities has been reported to be ₹ 46.92 Crores (out of total Contingent Liabilities disclosed ₹ 507.78 Crores).</p> <p>Claims made against the Group are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof.</p> <p>Provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability.</p>	<ul style="list-style-type: none"> ● 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 and provision by the management as required in terms of the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".
4.	<p>Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage up to 31.03.2023</p> <p>Expenditure of ₹ 1293.90 Crores in respect of Holding Company as given in Note 2.2.3 of Consolidated Financial Statements has been incurred for conducting survey and investigation on projects. This includes Interest, administrative and other costs attributable to these projects. Out of this ₹ 964.21 (including ₹ 2.19 Crores during the year) have been provided for, keeping in view uncertainty with respect to clearances, approvals for implementing the Projects, leaving ₹ 329.69 Crores which has been carried forward as Capital Work in Progress.</p> <p>Further, Capital Work in Progress also includes Projects where active construction activities are yet to be undertaken.</p> <p>Interest, Administrative and other Costs are capitalized till the projects are abandoned, however, provisions are made as given herein above in cases where in view of the management there are uncertainties in implementing the projects undertaken.</p> <p>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.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of expenditure incurred on Survey and Investigation Projects include the following:</p> <ul style="list-style-type: none"> ● Obtained the status of the Projects under Survey and Investigation stage as provided by the management and the reason thereof of keeping them in abeyance. ● Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred (a) for survey and investigation projects and the policy followed for making provisions/ write off for such expenses given the nature of business of the Company, (b) for project under preconstruction stage and allocation of Borrowing and other cost incurred and allocated there against. ● Evaluating the management's rationale with respect to continuing such projects under Capital Work in Progress inspite of there being uncertainties and delay in implementing the same and expected economic use of the same in future ● Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for the same given the location, size and nature in each case of the respective project. ● The matter being technical and proprietary to the nature of industry in which the Holding Company is operating, reliance has been placed on the management's contention and representation on the matter.
5.	<p>Recognition of MAT Credit and Regulatory Deferral (Credit) balances</p> <p>During the current Financial Year, the Holding Company has assessed the recoverability of unrecognised MAT Credit of ₹ 945.96 Crores available to it. Based on such</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding appropriateness of MAT Credit recognized and Regulatory Deferral</p>

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	<p>assessment, the Holding Company has recognized deferred tax asset relating to MAT credit entitlement of ₹ 417.31 Crores (₹ 1478.62 Crores upto March 31, 2022) as the amount of MAT Credit which shall be available for utilization by the Holding Company in future years by way of lower outflow of Income Tax in future years. Out of the MAT Credit recognised, ₹ 328.94 Crores has been utilized during the current Financial Year.</p> <p>Correspondingly, in respect of ibid deferred tax asset relating to MAT credit entitlement, Regulatory Deferral (Credit) Balance of ₹ 923.20 Crores (₹ 1313.27 Crores upto March 31, 2022) has been recognized, being the amount, which shall be passed on to the beneficiaries in future as per CERC Tariff Regulations.</p> <p>The recoverability of this deferred tax asset relating to MAT credit entitlement is dependent upon the generation of sufficient future taxable profits to utilize such entitlement within the stipulated period prescribed under the Income Tax Act, 1961.</p> <p>The recognition of MAT Credit and Regulatory Deferral (Credit) balance there against is important to the intended users of the Financial Statements in view of its materiality and requirement of judgement in forecasting future taxable profits for recognition of MAT credit entitlement considering the recoverability of such tax credits within allowed time frame as per the provisions of the Income Tax Act, 1961.</p> <p>Relevant disclosures in this regard have been provided at Note Nos. 14.2, 18, 30.1, 31, 34(23)(E) read with Significant Accounting Policy No. 20.0(b) of Consolidated Financial Statements.</p>	<p>(Credit) balances created there against include the following:</p> <ul style="list-style-type: none"> ● Understanding and testing the operating effectiveness of the Holding Company's control relating to taxation and assessment of carrying amount of deferred tax assets/ liabilities. ● Review of the Holding Company's accounting policy in respect of deferred tax assets on unutilized MAT credit and current year developments, if any, requiring change in such policy and management contention on the same. ● Evaluation of tax credit entitlement as legally available to the Holding Company based on internal forecasts prepared by the company and probability of future taxable income. ● Review of underlying assumptions for consistency and uncertainty involved and principle of prudence for arriving at a reasonable degree of probability of utilisation of MAT Credit recognized. ● Review of implication pertaining to regulatory regime under which the company operates and estimations prepared by the Holding Company regarding MAT Credit arising out of generation activity to be passed on to beneficiaries and impact thereof on the financial statements under the given current Regulatory provisions and period of applicability thereof. ● Evaluation of adequacy and appropriateness of disclosures made in the Consolidated Financial Statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditors' reports thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors or the unaudited joint ventures 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/ management certification.

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.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 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 Indian 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its 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' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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;
- 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; and
- 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 Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements/ other financial information of seven subsidiaries whose financial statements reflect total assets and total net assets as at March 31, 2023, total revenues, total net profit after tax, total comprehensive income and net cash inflows/ (outflows) for the year ended on that date, as under, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

(₹ in Crores)

Name of the Subsidiaries	Total Assets as on March 31, 2023	Net Assets as on March 31, 2023	Total Revenues for the year ended March 31, 2023	Net Profit / (Loss) after tax for the year ended March 31, 2023	Total Comprehensive Income / (Loss) for the year ended March 31, 2023	Net Cash Inflows / (Outflows) for the year ended March 31, 2023
NHDC Limited	7,650.78	5,693.26	1,509.34	774.43	772.78	(86.60)
Loktak Downstream Hydroelectric Corporation Limited#	1.06	(0.30)	0.02	(161.28)	(161.28)	(1.55)
Bundelkhand Saur Urja Limited	277.75	94.04	4.31	(3.00)	(3.00)	3.23
Lanco Teesta Hydro Power Limited	2,500.06	1,764.64	-	(0.22)	(0.22)	31.14
Jalpower Corporation Limited	647.05	304.45	0.40	0.28	0.28	(32.72)
Ratle Hydroelectric Power Corporation Limited	415.14	375.90	9.05	6.32	6.32	(134.08)
NHPC Renewable Energy Limited	18.43	18.41	0.83	(1.59)	(1.59)	0.18
Total	11,510.27	8,250.40	1,523.95	614.94	613.30	(220.40)

During the year, the Holding Company has made an impairment provision amounting to ₹ 105.56 Crores against the investment of ₹ 105.56 Crores made in Loktak Downstream Hydroelectric Corporation Limited considering the delay in investment sanction (PIB & CCEA) and high projected tariff.

2. The Consolidated Financial Statements include the audited financial statements/ other financial information of one subsidiary (i.e. Chenab Valley Power Projects Private Limited w.e.f. November 21, 2022) whose financial statements reflect total assets of ₹ 5,384.52 Crores and total net assets of ₹ 3,996.24 Crores as at March 31, 2023, total revenues of ₹ 19.63 Crores, total net profit after tax of ₹ 8.02 Crores, total comprehensive income of ₹ 8.02 Crores and net cash inflows/(outflows) of ₹ 426.02 Crores for the period from Nov 21, 2022 till March 31, 2023, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by one of us (i.e. Joint Statutory Auditors). Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of such auditor.
3. The Consolidated Financial Statements also include Group's share of net profit/ (loss) including other comprehensive income for the year ended March 31, 2023, as under, in respect of two Joint Ventures whose financial statements/ other financial information have not been audited. These financial statements and other financial information are unaudited and have been furnished to us by the Holding Company's Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Joint Ventures, is based solely on such financial statements/ other financial information. According to the information and explanations given to us by the Holding Company's Management, these financial statements/ other financial information are not material to the Group.

(₹ in Crores)

Name of the Company	Group's share in Net Profit / (loss) after tax for the year ended 31 st March, 2023	Group's share in Net Other Comprehensive Income for the year ended 31 st March, 2023	Group's share – Total
Chenab Valley Power Projects Private Limited (upto 20-11-2022)	9.15	-	9.15
National High Power Test Laboratory Private Limited##	(14.24)	-	(14.24)
Total	(5.09)	-	(5.09)

During the year, the Holding Company has made an additional impairment provision amounting to ₹ 16.33 Crores, in respect of the investment made in National High Power Test Laboratory Private Limited and ₹ 18.40 Crores in respect of loan provided to the said joint venture, due to continuing cash losses being incurred since incorporation.

4. The other auditors of the aforesaid components excluding NHDC Limited and Bundelkhand Saur Urja Limited have not reported Key Audit Matters in their Auditors' Reports.

In the absence of the same, we are unable to incorporate these matters for all the components.

Our opinion on Consolidated Financial Statements in respect of our reliance on work performed and reports submitted by independent auditors on the financial statements of subsidiaries and other matters as stated in para 1 to 4 above is not modified.

Report on Other Legal and Regulatory Requirements

As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements and 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 Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the 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, being Government Companies.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its joint ventures and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"** which is based on the Auditors' Reports of the Holding Company, subsidiaries and joint ventures which have been audited. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group and its joint ventures; and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Audit and Auditors) Amendment Rules, 2021, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements have disclosed the impact of pending litigations on the financial position of the Group and its joint ventures – Refer Note 34(2) to the Consolidated Financial Statements.
 - ii. The Group and its joint ventures did not have any material foreseeable losses against long-term contracts including derivative contracts and thereby requirement for making provision in this respect is not applicable to the Group and its joint venture.
 - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its joint ventures.
 - iv. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Group and its Joint Ventures, being Government Companies.
- v. a. The respective managements of the Holding Company and its subsidiaries and joint ventures have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or joint ventures, incorporated in India, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries or joint ventures ("Ultimate Beneficiaries"), incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b. The respective managements of the Holding Company and its subsidiaries and joint ventures have represented to us and the other auditors of such subsidiaries and joint ventures respectively, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries or joint ventures, incorporated in India, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such subsidiaries or joint ventures incorporated in India shall:
- whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (v)(a) and (v) (b) contain any material mis-statement.
- vi. The dividend declared or paid during the year by the Holding Company and one of its subsidiary companies incorporated in India are in compliance with section 123 of the Act.

- h) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its subsidiaries and joint ventures with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- i) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the auditor's report, according to the information and explanations given to us, and based on the CARO reports issued for the Company and its subsidiaries and joint ventures included in the Consolidated Financial Statements of the Group and its joint ventures, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For K G Somani & Co LLP

Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co.

Chartered Accountants
FRN: 302137E

For P C Bindal and Co.

Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)

Partner
M. No.088155
UDIN: 23088155BGYWEE5496

(S C Chaturvedi)

Partner
M. No. 012705
UDIN: 23012705BGWLYD5744

(Manushree Bindal)

Partner
M. No. 517316
UDIN: 23517316BGYPFY1795

Place: New Delhi

Date: May 29, 2023

"ANNEXURE A" 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 Consolidated 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 March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of **NHPC Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and its joint ventures' internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by ICAI, and deemed to be 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 controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to 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 Consolidated 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 internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Holding Company, subsidiaries and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control with reference to Consolidated Financial Statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

- i. 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 Consolidated Financial Statements insofar as it relates to eight subsidiaries, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion on Consolidated Financial Statements in respect of our reliance on work performed and reports submitted by independent auditors on the financial statements of subsidiaries is not modified.

- ii. In case of Joint Venture National High Power Test Laboratory Private Limited (NHPTL), a Joint Venture, the financial statements are unaudited.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to a joint venture incorporated in India, whose financial statements/ other financial information is unaudited, is based on the unaudited financial statements/ other information.

Our opinion on Consolidated Financial Statements is not affected as these financial statements/other financial information are not material to the Group and its joint ventures.

For K G Somani & Co LLP

Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co.

Chartered Accountants
FRN: 302137E

For P C Bindal and Co.

Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)

Partner
M. No.088155
UDIN: 23088155BGYWEE5496

(S C Chaturvedi)

Partner
M. No. 012705
UDIN: 23012705BGWLYD5744

(Manushree Bindal)

Partner
M. No. 517316
UDIN: 23517316BGYPFY1795

Place: New Delhi

Date: May 29, 2023

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Crore)

PARTICULARS	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS			
(1) NON-CURRENT ASSETS			
a) Property, Plant and Equipment	2.1	17,841.57	19,191.08
b) Capital Work In Progress	2.2	31,350.50	22,521.90
c) Right Of Use Assets	2.3	4,287.92	2,626.25
d) Investment Property	2.4	4.49	4.49
e) Intangible Assets	2.5	3.41	3.28
f) Intangible Assets under development	2.6	6.24	0.51
g) Investments accounted for using the equity method	2.7.1	-	1,876.16
h) Financial Assets			
i) Investments	3.1	347.22	510.34
ii) Trade Receivables	3.2	473.51	-
iii) Loans	3.3	1,118.20	1,044.10
iv) Others	3.4	8,614.10	9,389.28
i) Non-Current Tax Assets (Net)	4	44.26	20.39
j) Other Non-Current Assets	5	4,548.61	4,001.84
TOTAL NON CURRENT ASSETS		68,640.03	61,189.62
(2) CURRENT ASSETS			
a) Inventories	6	161.18	140.44
b) Financial Assets			
i) Investments	7.1	151.35	-
ii) Trade Receivables	7.2	6,160.59	5,175.84
iii) Cash and Cash Equivalents	8	1,019.81	1,314.67
iv) Bank balances other than Cash and Cash Equivalents	9	1,673.87	643.68
v) Loans	10	60.77	61.04
vi) Others	11	942.07	901.66
c) Current Tax Assets (Net)	12	133.07	145.79
d) Other Current Assets	13	462.43	463.03
TOTAL CURRENT ASSETS		10,765.14	8,846.15
(3) Regulatory Deferral Account Debit Balances	14.1	6,682.29	7,248.73
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES		86,087.46	77,284.496
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	15.1	10,045.03	10,045.03
(b) Other Equity	15.2	26,854.31	24,875.95
Total Equity attributable to owners of the Company		36,899.34	34,920.98
(c) Non-controlling interests	15.3	4,815.13	2,862.87
TOTAL EQUITY		41,714.47	37,783.85
(2) LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	16.1	26,602.24	23,226.61

(₹ in Crore)

PARTICULARS	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ia) Lease Liabilities	16.2	47.18	17.46
ii) Other financial liabilities	16.3	2,198.78	2,098.97
b) Provisions	17	69.66	54.29
c) Deferred Tax Liabilities (Net)	18	2,463.61	2,442.44
d) Other non-current Liabilities	19	3,565.25	3,037.85
TOTAL NON - CURRENT LIABILITIES		34,946.72	30,877.62
(3) CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	20.1	2,885.65	2,848.76
ia) Lease Liabilities	20.2	4.77	3.12
ii) Trade Payables	20.3		
Total outstanding dues of micro enterprises and small enterprises		46.67	30.37
Total outstanding dues of Creditors other than micro enterprises and small enterprises		188.15	183.74
iii) Other financial liabilities	20.4	1,897.91	1,577.12
b) Other Current Liabilities	21	850.43	607.90
c) Provisions	22	2,068.74	1,340.74
d) Current Tax Liabilities (Net)	23	-	14.56
TOTAL CURRENT LIABILITIES		7,942.32	6,606.31
(4) Regulatory Deferral Account Credit Balances	14.2	1,483.95	2,016.72
TOTAL EQUITY AND LIABILITIES		86,087.46	77,284.50
Accompanying notes to the Consolidated Financial Statements	1-34		

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2023**

(₹ in Crore)

PARTICULARS	Note No.	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
INCOME			
i) Revenue from Operations	24.1	10,607.40	9,144.20
ii) Other Income	24.2	677.50	964.06
TOTAL INCOME		11,284.90	10,108.26
EXPENSES			
i) Generation Expenses	25	939.56	844.12
ii) Employee Benefits Expense	26	1,435.28	1,554.76
iii) Finance Costs	27	474.26	532.28
iv) Depreciation and Amortization Expense	28	1,214.67	1,190.30
v) Other Expenses	29	1,964.45	1,557.97
TOTAL EXPENSES		6,028.22	5,679.43
PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		5,256.68	4,428.83
Share of Net Profit of Joint Ventures accounted for using the equity method	2.7.2	(5.09)	(1.39)
Exceptional items		-	-
PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX		5,251.59	4,427.44
Tax Expenses	30.1		
i) Current Tax		947.00	915.69
ii) Deferred Tax		29.24	(1,472.67)
Total Tax Expenses		976.24	(556.98)
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		4,275.35	4,984.42
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	(40.61)	(1,210.09)
PROFIT FOR THE YEAR (A)		4,234.74	3,774.33
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		(4.87)	8.28
Less:- Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations		(1.87)	(3.07)
- Movement in Regulatory Deferral Account Balances- Remeasurement of post employment defined benefit obligations		6.49	2.33
- Share of Other Comprehensive Income of Joint Ventures accounted for using the equity method	2.7.3	-	-
Sub total (a)		3.49	13.68
(b) Investment in Equity Instruments		3.36	5.40
Sub total (b)		3.36	5.40
Total (i)=(a)+(b)		6.85	19.08

(₹ in Crore)

PARTICULARS	Note No.	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
(ii) Items that will be reclassified to profit or loss (Net of Tax)			
- Investment in Debt Instruments		(11.86)	(8.22)
Total (ii)		(11.86)	(8.22)
Other Comprehensive Income (B)=(i+ii)		(5.01)	10.86
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) (COMPRISING PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR)		4,229.73	3,785.19
Profit attributable to:			
Owners		3,889.98	3,523.57
Non-Controlling interests		344.76	250.76
		4,234.74	3,774.33
Other comprehensive income attributable to:			
Owners		(4.20)	11.79
Non-Controlling interests		(0.81)	(0.93)
		(5.01)	10.86
Total comprehensive income attributable to:			
Owners		3,885.78	3,535.36
Non-Controlling interests		343.95	249.83
		4,229.73	3,785.19
Total comprehensive income attributable to owners arising from:			
Continuing operations		3,885.78	3,535.36
Discontinued operations		-	-
		3,885.78	3,535.36
Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)	34 (14)		
Before movements in Regulatory Deferral Account Balances		3.91	4.71
After movements in Regulatory Deferral Account Balances		3.87	3.51
Accompanying notes to the Standalone Financial Statements	1-34		

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Crore)

Particulars	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year including movements in Regulatory Deferral Account Balance	5,210.98	3,217.35
Less: Movement in Regulatory Deferral Account Balances	(40.61)	(1,210.09)
Profit before Tax	5,251.59	4,427.44
ADD :		
Depreciation and Ammortisation	1,214.67	1,190.30
Finance Costs (Net of EAC)	474.26	532.33
Provision for Diminution in value of investment	16.33	14.07
Provisions - Others (Net of EAC)	187.93	28.51
Exchange rate variation (Loss)	0.03	-
Tariff Adjustment (loss)	69.16	94.37
Sales adjustment of account of Exchange Rate Variation	32.47	44.02
Loss (Profit) on sale of assets/Claims written off	2.14	13.88
Fair value Audjustments	101.55	-
	2,098.54	1,917.48
	7,350.13	6,344.92
LESS :		
Advance against Depreciation written back	54.76	52.60
Provisions (Net gain)	31.22	45.57
Dividend Income	6.96	9.00
Interest Income & Guarantee Fees (including Late Payment Surcharge)	373.91	528.85
Exchange rate variation (Gain)	0.51	49.28
Other Adjustments	15.66	13.03
Fair Value Adjustments	-	1.34
Amortisation of Government Grants	97.72	97.26
Share of Net Profit /(Loss) of Joint Ventures (accounted for using the equity method)	(5.09)	(1.39)
	575.65	795.54
Cash flow from Operating Activities before Operating Assets and Liabilities adjustments	6,774.48	5,549.38
Changes in Operating Assets and Liabilities:		
Inventories	(20.98)	(6.88)
Trade Receivables	(1,526.67)	(42.41)
Other Financial Assets, Loans and Advances	388.35	339.11
Other Financial Liabilities and Provisions	55.39	(413.10)
Regulatory Deferral Account Balances	(1.11)	0.17
	(1,105.02)	(123.11)
Cash flow from operating activities before taxes	5,669.46	5,426.27
Less : Taxes Paid	977.23	836.65
NET CASH FROM OPERATING ACTIVITIES (A)	4,692.23	4,589.62
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Investment Property, Other Intangible Assets, Capital Work-in-progress (including expenditure attributable to construction forming part of Capital Work in Progress for the year) and Movement in Regulatory Deferral Account Balances forming part of Project Cost- Net of Grant	(4,960.16)	(3,701.38)
Sale of Assets	1.39	2.78

(₹ in Crore)

Particulars	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Investment in Joint Venture (Including Share Application Money Pending Allotment)	(107.94)	(451.56)
Interest on Loan to Joint Ventures (Net)	-	0.19
Net Investment in Term Deposits	487.36	586.95
Dividend Income	6.96	9.00
Interest Income & Guarantee Fees (including Late Payment Surcharge)	326.34	470.16
NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES (B)	(4,246.05)	(3,083.86)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Equity proceeds from Non-Controlling Interest	200.08	59.38
Dividend Paid (including Non-Controlling Interests)	(2,262.86)	(1,947.84)
Proceeds from Long Term Borrowings	4,875.37	3,576.39
Proceeds from Short Term Borrowings	-	597.87
Repayment of Borrowings	(1,898.66)	(1,398.18)
Interest and Finance Charges	(1,703.68)	(1,521.02)
Principal Repayment of Lease Liability	(3.90)	(3.48)
Interest paid on Lease Liability	(2.02)	(1.46)
NET CASH FLOW FROM/USED IN FINANCING ACTIVITIES (C)	(795.67)	(638.36)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(349.49)	867.40
Cash and Cash Equivalents (Opening balance)	1,314.67	447.27
Cash & Cash Equivalents of Subsidiary Companies acquired during the year	54.63	-
Cash and Cash Equivalents (Closing balance)	1,019.81	1,314.67

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

- 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)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
With scheduled Banks:		
- In Current Account	531.29	1009.82
- In Deposits Account	488.51	304.85
(Deposits with original maturity of less than three months)		
Cash on Hand	0.01	0.00
Cash and Cash equivalents	1019.81	1314.67

- Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 1233.30 Crore (Previous year ₹ 993.62 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).
- Amount of undrawn loan as on 31.03.2023 : ₹ 1128.25 Crore (Previous Year ₹ 1578.25 Crore).
- Company has incurred ₹ 139.16 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2023 (Previous Year ₹ 111.17 Crore).

5 Net Debt Reconciliation :

(₹ in crore)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Borrowings (Current & Non-Current)	30125.15	26711.66
Lease Liability	51.95	20.59
Total	30177.10	26732.25

(₹ in Crore)

Particulars	For the year ended 31 st March, 2023			For the year ended 31 st March, 2022		
	*Borrowings (Current & Non-Current)	Lease Liability	Total	*Borrowings (Current & Non-Current)	Lease Liability	Total
Opening Net Debt as on 1st April	26,711.66	20.59	26,732.25	24,010.85	15.10	24025.95
Borrowings & Lease Liability of Subsidiary Companies acquired during the year	370.63	1.36	371.99	-	-	-
Proceeds from Borrowings	4,875.37	-	4,875.37	4,174.26	-	4174.26
Repayment of Borrowings/ Lease Liability	(1,898.66)	(3.90)	(1,902.56)	(1,398.18)	(3.48)	(1,401.66)
Interest paid	(1,703.68)	(2.02)	(1,705.70)	(1,521.02)	(1.46)	(1,522.48)
Other Non-Cash Movements:						
-Increase in Lease Liability	-	32.54	32.54	-	8.97	8.97
-Foreign exchange adjustments	(7.45)	-	(7.45)	(58.77)	-	(58.77)
-Interest and Finance Charges	1,705.72	3.38	1,709.10	1,497.78	1.46	1499.24
-Fair value adjustments	71.56	-	71.56	6.74	-	6.74
Closing Net Debt as on 31st March	30,125.15	51.95	30,177.10	26,711.66	20.59	26,732.25

*For Borrowings refer Note No.16.1, 20.1 and 20.4

6 Figures for the previous periods have been re-grouped/re-arranged/re-classified/re-stated wherever necessary.

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2023

A. EQUITY SHARE CAPITAL

Particulars	Note No.	(₹ in Crore)
As at 1 st April 2022	15.1	10,045.03
Changes in Equity Share Capital due to prior period errors		-
Restated balances as at 1 st April 2022	15.1	10,045.03
Change in Equity Share Capital		-
As at 31st March 2023	15.1	10,045.03

B. OTHER EQUITY

Particulars	Reserve and Surplus				Other Comprehensive Income		Total	Non-Controlling Interest (NCI)	Total after NCI
	Capital Reserve	Capital Redemption Reserve	Bond Redemption Reserve	General Reserve	Surplus/Retained Earnings	Debt Instruments through OCI	Equity Instruments through OCI		
Balance as at 1st April, 2022	64.08	2,255.71	1,366.25	11,544.83	9,521.15	37.19	86.74	2,862.87	27,738.82
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balances as at 1st April 2022	64.08	2,255.71	1,366.25	11,544.83	9,521.15	37.19	86.74	2,862.87	27,738.82
Profit for the year					3,889.98			344.76	4,234.74
Other Comprehensive Income					4.30	(11.86)	3.36	(0.81)	(5.01)
Total Comprehensive Income for the year	-	-	-	-	3,894.28	(11.86)	3.36	343.95	4,229.73
Issue of Equity Shares during the year.								200.08	200.08
Capital Reserve created on Investment accounted for using Equity Method	1.55							1.55	1.55
Share of NCI on acquisition during the year								-	-
Transfer from Retained Earning								-	-
Transaction with Non-Controlling Interest					(0.41)		(0.41)	0.41	-
Amount transferred from Bond Redemption Reserve to Surplus/Retained Earnings			(236.95)		236.95			-	-
Transfer from Retained Earning								-	-
Dividend paid								-	-
Balance as at 31st March 2023	65.63	2,255.71	1,129.30	11,544.83	11,743.41	25.33	90.10	4,815.13	31,669.44

Refer Note No. 15.2.1 for Disclosure on nature and purpose of Reserves.

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

As per report of even date

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place : New Delhi
Date : 29th May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2022

A. EQUITY SHARE CAPITAL

Particulars	Note No.	(₹ in Crore)
As at 1 st April 2021	15.1	10,045.03
Changes in Equity Share Capital due to prior period errors		-
Restated balances as at 1 st April 2021	15.1	10,045.03
Change in Equity Share Capital		-
As at 31st March 2022	15.1	10,045.03

B. OTHER EQUITY

Particulars	Reserve and Surplus				Other Comprehensive Income		Total	Non-Controlling Interest (NCI)	Total after NCI
	Capital Reserve	Capital Redemption Reserve	Bond Redemption Reserve	General Reserve	Surplus/ Retained Earnings	Debt instruments through OCI			
Balance as at 1st April, 2021	64.08	2,255.71	1,641.95	11,544.83	7,411.94	45.41	23,045.26	2,828.40	25,873.66
Changes in accounting policy or prior period errors	-	-	-	-	-36.99	-	-36.99	6.92	-30.07
Restated balances as at 1st April 2021	64.08	2,255.71	1,641.95	11,544.83	7,374.95	45.41	23,008.27	2,835.32	25,843.59
Profit for the year					3,523.57		3,523.57	250.76	3,774.33
Other Comprehensive Income					14.61	(8.22)	11.79	(0.93)	10.86
Total Comprehensive Income for the year	-	-	-	-	3,538.18	(8.22)	3,535.36	249.83	3,785.19
Issue of Equity Shares during the year.								57.89	57.89
Transfer from Retained Earning									
Transaction with Non-Controlling Interest					(0.20)		(0.20)	0.20	-
Amount transferred from Bond Redemption Reserve to Surplus/Retained Earnings			(275.70)		275.70		-	-	-
Dividend paid					(1,667.48)		(1,667.48)	(280.37)	(1,947.85)
Balance as at 31st March, 2022	64.08	2,255.71	1,366.25	11,544.83	9,521.15	37.19	24,875.95	2,862.87	27,738.82

Refer Note No. 15.2.1 for Disclosure on nature and purpose of Reserves.

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

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(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place : New Delhi

Date : 29th May, 2023

NOTE NO. 1: GROUP INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(I) Reporting entity

NHPC Limited (the "Company") is a Company domiciled in India and limited by shares. The shares of the Company are listed and traded on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange India Limited (BSE) in India. The address of the Company's registered office is NHPC Limited, NHPC Office Complex, Sector-33, Faridabad, Haryana- 121003.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its joint ventures. The Group is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business in which the Company is involved includes providing project management / construction contracts/ consultancy assignment services and trading of power.

(II) Basis of preparation

(A) Statement of Compliance

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

The Group's consolidated financial statements have been approved for issue by the Board of Directors on 29th May, 2023.

(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

The Ministry of Corporate Affairs, vide notification dated March 23, 2022 had notified the Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain Indian Accounting Standards. The summary of the major amendments and its impact on the Company are given hereunder:

(i) Ind AS 16 – Proceeds before intended use

The amendment prohibits an entity from recognising the excess of net sale proceeds of items produced over the cost of testing, in the Statement of Profit and Loss. Instead, the same shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments have no material impact on the financial statements of the Group.

(ii) Ind AS 37 – Onerous Contract – Cost of fulfilling a Contract

The amendments specify that the "Cost of fulfilling" a contract comprises the "cost that relate directly to the Contract". Cost that relate directly to the Contract are both the incremental costs of fulfilling the contract (example: direct labour, material) and allocation of other costs that relate directly to fulfilling the contract.

This amendment is essentially in the nature of a clarification and does not have any material impact on the financial statements of the Group.

(iii) Ind AS 103: Business Combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards

(Conceptual Framework) issued by the Institute of Chartered Accountants of India. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments have no material impact on the financial statements of the Group.

- (iv) Amendments/ revision in other standards are either not applicable or do not have any material impact on the financial statements of the Group.

(D) Functional and presentation currency

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

(E) Basis of Consolidation

a) Subsidiaries

- i) A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date such control ceases.
- ii) The Group combines the financial statements of the parent and its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. The carrying amounts of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses on transactions between Group companies are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.
- iii) Non-controlling interests are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Balance Sheet, consolidated Statement of Profit and Loss and consolidated Statement of Changes in Equity.
- iv) A change in the ownership interest of a subsidiary which does not result in a loss of control, is accounted for as an equity transaction.
- v) If the Group loses control over a subsidiary, it derecognizes the assets, liabilities, carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost, with the resulting gain/ loss recognised in the Statement of Profit and Loss.

b) Joint ventures

- i) A joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognised at cost and thereafter accounted for using the equity method.
- ii) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the net assets of the investee. The Group's share of the post-acquisition profits or losses and other comprehensive income of the investee are included in the Statement of Profit and Loss and Other Comprehensive Income of the Group. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.
- iii) When the Group's share of losses in a joint venture equals or exceeds its interest in the entity, which includes any long term interest that, in substance, form part of Group investment in joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. Losses recognized using the equity method in excess of the entity's investment in ordinary shares are applied to the other components of the entity's interest in an associate or a joint venture in the reverse order of their seniority i.e. priority in liquidation.
- iv) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the

extent of the Group's interest in these entities. Unrealised losses on transactions between the Group and its joint ventures are also eliminated to the extent of the Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the group.

- v) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Profit and Loss.
- vi) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognised in the Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that joint venture are reclassified to the Statement of Profit and Loss.

(F) Use of estimates and management judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures including contingent assets and contingent liabilities at the Balance Sheet date. The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that may have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Critical judgements and estimates

a) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116, Leases. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the customer has both of the following:

- a. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- b. the right to direct the use of the identified asset.

To control the use of an identified asset, a customer is required to have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use. A customer has the right to direct the use of an identified asset throughout the period of use if the customer has the right to direct how and for what purpose the asset is used throughout the period of use.

The Group also uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the power station's economic life and the minimum lease payments amount to substantially all the fair value of the power station are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on a straight-line basis over the lease term. The respective leased assets are included in the Balance Sheet based on their nature.

b) Useful life of Property, Plant and Equipment and Intangible Assets

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

Useful life of the assets used for generation of electricity is determined by the Central Electricity Regulatory Commission (CERC) Tariff Regulations as mentioned in part B of Schedule II of the Companies Act, 2013 except for construction plant and machinery and computers and peripherals which are in accordance with useful life as prescribed in Schedule II of the Companies Act, 2013 and mobile phones which are as per management assessment.

c) Recoverable amount of Property, Plant and Equipment, Capital Work in Progress and Intangible Assets

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

d) Post-retirement benefit plans

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

e) Revenue

The Group records revenue from sale of power based on Tariff approved by the CERC, as per the principles of Ind AS 115- Revenue from Contracts with Customers. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, where tariff are pending revision due to revision in cost estimates, tariffs are computed based on the parameters and methods prescribed under the CERC Tariff Regulations and an estimated amount of revenue is recognised when an application is made to the CERC after obtaining necessary approvals to the extent it is highly probable that there will be no downward adjustment to the revenue recognised.

f) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has been made on the basis of best judgement by management regarding probable outflow of economic resources. Such estimation can change due to following unforeseeable developments.

g) Recoverable Amount of Rate Regulated Assets

The operating activities of the Group are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation and maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP)

and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the statement of profit and loss in accordance with Ind AS. The Group estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations 2019-24. However, recoverability of these amounts is subject to finalization of tariff by CERC and/ or changes in CERC tariff regulations beyond the current tariff period.

h) Impairment of Trade Receivables

Considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

i) Investment in Joint Ventures

Investment has been carried at cost and as per assessment by the Group, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

j) Insurance Claim Recoverable

The recoverable amount of insurance claims in respect of damages to Property, Plant and Equipment, Capital Work in Progress is based on estimates and assumptions as per terms and conditions of insurance policies.

k) Income taxes

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

l) Cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs)

The cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) are measured as per Management estimate.

(III) SIGNIFICANT ACCOUNTING POLICIES:

Summary of the significant accounting policies for the preparation of consolidated financial statements as given below have been applied consistently to all periods presented in the financial statements. These accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. These policies need not be applied when the effect of applying them is immaterial.

Up to March 31, 2015, Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Investment Property were carried in the Balance Sheet in accordance with Indian GAAP. The Group had elected to avail the exemption granted by IND AS 101, "First time adoption of IND AS" to regard those amounts as the deemed cost at the date of transition to IND AS (i.e. as on April 1, 2015). Therefore, the carrying amount of property, plant and equipment, Capital Work in Progress, intangible assets and Investment Property as per the previous GAAP as at April 1, 2015, were maintained on transition to Ind AS.

1.0 Property, Plant and Equipment (PPE)

- a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
- b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.
- c) Expenditure incurred on renovation and modernization of power station on completion of the originally estimated useful life of the power station is added to the cost of the related asset when it meets the recognition criteria. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

- d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.
- e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on Environment Management Plans relating to land in possession are treated as cost of land.
- f) Assets over which the Group has control, though created on land not belonging to the Group are included under Property, Plant and Equipment.
- g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.
- h) Spares parts (procured along with the Plant and Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores and spares" forming part of inventory.
- i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was, when the item was acquired or inspection carried out.
- j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

2.0 Capital work in Progress (CWIP)

- a) Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.
- b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets.
- c) Capital Expenditure incurred for creation of facilities, over which the Group does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Investment Property

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any. Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

Transfers to or from investment property is made when and only when there is a change in use supported by evidence.

4.0 Intangible Assets and Intangible Assets under development

- a) Expenditure on research is charged to expenditure as and when incurred. Expenditure on development is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to & has sufficient resources to complete development and to use or sell the asset.
- b) Intangible assets acquired separately are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- c) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Group and the cost of the item can be measured reliably.
- d) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.0 Foreign Currency Transactions

- a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each reporting date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.
- b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.
- c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.
- d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.
- e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Where the Group has paid or received advance consideration in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is the date when the Group initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

6.0 Regulatory Deferral Accounts

- a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e. not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."
- b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account balances."
- c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.
- d) Regulatory Deferral Account balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account balances are derecognised.
- e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

7.0 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Group determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

8.0 Investment in joint ventures

Investments in equity shares of joint ventures are accounted for using the Equity Method.

9.0 Financial assets other than investment in joint ventures

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual right to receive cash or another financial asset or to exchange financial asset or financial liability under conditions that are potentially favourable to the Group. A financial asset is recognized when and only when the Group becomes party to the contractual provisions of the instrument.

Financial assets of the Group comprise Cash and Cash Equivalents, Bank Balances, Investments in equity shares of companies, Trade Receivables, Loan to employees, security deposit, claims recoverable etc.

a) Classification

The Group classifies its financial assets in the following categories:

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit and loss

The classification depends on the following:

- (a) The entity's business model for managing the financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses are either recorded in the Statement of Profit and Loss or under Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

b) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

The Group measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

c) Subsequent measurement

Debt instruments at amortised cost

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

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)

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

- i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments at fair value through Other Comprehensive Income are measured at each reporting date at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in other income using the EIR method.

Equity investments:

All equity investments are measured at fair value. Equity instruments which are held for trading, if any, are classified at Fair Value through Profit or Loss (FVTPL). For all other equity instruments, the Group classifies the same as at FVTOCI. The Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

All fair value changes on an equity instrument classified at FVTOCI, are recognized in the OCI. There is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Trade Receivables:

Trade receivables containing a significant financing component are subsequently measured at amortised cost using the effective interest method.

d) Derecognition

A financial asset is derecognised only when:

- i) The Group has transferred the rights to receive cash flows from the financial asset, or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition, the difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.

e) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- i) Financial assets that are debt instruments, and are measured at amortised cost.
- ii) Financial assets that are debt instruments and are measured as at FVTOCI
- iii) Contract Assets and Trade Receivables under Ind AS 115- *Revenue from Contracts with Customers*
- iv) Lease Receivables under Ind AS 116- *Leases*.

The Group follows the 'simplified approach' permitted under Ind AS 109, "Financial Instruments" for recognition of impairment loss allowance based on life time expected credit loss from initial recognition on contract assets, lease receivables and trade receivables resulting from transactions within the scope of Ind AS 116 and Ind AS 115.

For recognition of impairment loss on other financial assets, the Group assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. For assessing increase in credit risk and impairment loss, the Group assesses the credit risk characteristics on instrument-by-instrument basis. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognize impairment loss allowance based on 12-month ECL. The amount of expected credit loss /reversal for the period is recognized as expense/income in the Statement of Profit and Loss.

10.0 Inventories

Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipment and are valued at cost or net realizable value (NRV) whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Scrap is valued at net realisable value.

Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) are valued at lower of cost and net realizable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs.

11.0 Dividends

Final dividends and interim dividends payable to the shareholders are recognised as change in equity in the period in which they are approved by the Group's shareholders and the Board of Directors respectively.

12.0 Financial liabilities

Financial liabilities of the Group are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group.

The Group's financial liabilities include loans and borrowings, trade and other payables.

a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

b) Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

d) Offsetting of financial instruments

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

e) Derivative financial instruments

Derivative financial instruments held by the Group to hedge the foreign currency and interest rate risk exposures and not designated as hedges are accounted for at fair value through profit or loss. Changes in fair value are recognised in the Statement of Profit and Loss.

13.0 Government Grants

- a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.
- b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the group will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.
- c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

14.0 Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision net of any reimbursement is presented in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

- b) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control

of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

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

15.0 Revenue Recognition and Other Income

The Group's revenues arise from sale and trading of energy, project management / construction contracts/ consultancy assignment services and other income. Revenue from other income comprises interest from banks, employees, contractors etc., dividend from investments in equity in other bodies corporate, interest from investment in bonds, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

a) Revenue from sale of power

- i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Group recognises revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) it transfers control over the products or services to a customer.
- ii) Revenue from sale of power (except minimum lease receipts in respect of power stations considered as Finance/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 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.

e) Revenue from sale of carbon credits/CERs/VERs

Revenue is recognized on transfer/sale of Carbon Credits/Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) to the extent it is highly probable that a significant reversal in the amount of revenue recognized will not occur in the future.

16.0 Employee Benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided.

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

ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trusts and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the

Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction from future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Employees Defined Contribution Superannuation Scheme (EDCSS) for providing pension benefits and Social Security Scheme administered through separate trusts are accounted as defined contribution plans.

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Gratuity Scheme, Retired Employees Health Scheme (REHS), Provident Fund Scheme, Allowance on Retirement/Death, Memento on Superannuation to employees and Employees Family Economic Rehabilitation Scheme are in the nature of defined benefit plans. All these plans, other than Allowance on Retirement/Death, Memento on Superannuation to employees and Employees Family Economic Rehabilitation Scheme are administered through separate trusts.

The liability or asset recognised in the Balance Sheet in respect of Gratuity and Retired Employees Health Scheme is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

In respect of Provident Fund Scheme, a liability is recognised in the Balance Sheet where the present value of the defined benefit obligation at the end of the reporting period is higher than the fair value of plan assets. Any surplus of fair value of plan assets over the present value of the defined benefit obligation at the end of the reporting period is not recognised as an asset since the Company does not have any right to the benefits either in the form of refunds from the Plan or by way of lower contribution to the Plan.

The defined benefit obligation is calculated annually by the actuary using the Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion.

Remeasurement gains (except in the case of Provident Fund Scheme) and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in Other Comprehensive Income in the period in which they occur and are included in retained earnings in the Statement of Changes in Equity.

iv) Other long-term employee benefits

Benefits under the Group's leave encashment scheme constitute other long term employee benefits.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the Projected Unit Credit Method. Contributions to the scheme and actuarial gains or losses are recognised in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the period in which they arise.

v) Termination benefits

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to the Statement of Profit and Loss in the year of incurrence of such expenses.

17.0 Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 116– 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

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

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

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

18.0 Depreciation and amortization

- a) Depreciation on additions to /deductions from Property, Plant and Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- b)
 - (i) Depreciation on Property, Plant and Equipment of Operating Units of the Group capitalized till five years before the end of the useful life of the Power Station is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).
 - (ii) Depreciation on Property, Plant and Equipment capitalized during the last five years of the useful life of a Power Station is charged on straight-line method for the period of life extension as per CERC Tariff Regulations/Orders, from the date on which such asset becomes available for use.
 - (iii) Where the life and / or efficiency of a Power Station is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively on straight-line method over the revised / remaining useful life.
- c)
 - i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Group is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).
 - ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.
- d)
 - i) Depreciation in respect of following items of PPE is provided on straight line method based on the useful life and residual value (5%) given in the Schedule II of the Companies Act, 2013:
 - Construction Plant and Machinery
 - Computer and Peripherals
 - ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of ₹ 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%.
 - iv) Based on technical assessment by management, depreciation on furniture & other equipment provided at residential office of employees is charged on straight line basis over a period of five years with residual value of 10%.

- e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining ₹ 1/- as WDV.
- f) Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which the asset becomes available for use with ₹ 1/- as WDV.
- g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue in the year of use.
- h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.
- i) Leasehold Land and buildings of units other than operating units, is amortized over the period of lease or 40 years whichever is lower.
- j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.
- k) Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.
- l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.
- m) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/ court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.
- n) Spares parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.
- o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance useful life of the asset, wherever required.

19.0 Impairment of non-financial assets other than inventories

- a) The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.
- b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.
- c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.
- d) In case a project under Survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

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

20.0 Income Taxes

Income tax expense comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax is the expected tax payable on the taxable income for the year on the basis of the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years (temporary differences) and it further excludes items that are never taxable or deductible (permanent differences).

b) Deferred tax

- i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.
- ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.
- iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
- iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.
- v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.
- vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.
- vii) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and joint ventures where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

- viii) When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognised. The effect of the uncertainty is recognised using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

21.0 Compensation from third parties

Impairments or losses of items, related claims for payments of compensation from third parties including insurance companies and any subsequent purchase or construction of assets/inventory are separate economic events and are accounted for separately.

Compensation from third parties including from insurance companies for items of property, plant and equipment or for other items that were impaired, lost or given up is included in the Statement of Profit and Loss when the compensation becomes receivable. Insurance claims for loss of profit are accounted for based on certainty of realisation.

22.0 Segment Reporting

- a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.
- b) Electricity generation is the principal business activity of the Group. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108.
- c) The Group has a single geographical segment as all its Power Stations are located within the Country.

23.0 Leases

The Group assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

i) Group as a Lessee:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for

any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Right to use Assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Assessment of impairment is done using the principles of Ind AS 36- Impairment of Assets as given in Significant Accounting Policy No. 19.0 above.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification..

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the face of the balance sheet.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) **Group as a Lessor:**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and

rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease receipts are identified by segregating the embedded lease receipts from the contract amounts (including Advance Against Depreciation (AAD) recognised in accordance with CERC Tariff regulations 2004-09 up to 31st March 2009 and considered as deferred income). Each lease receipt is allocated between the receivable and finance lease income forming part of revenue from operations so as to achieve a constant rate of return on the Lease Receivable outstanding.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of Ind AS 109- Financial Instruments, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115- Revenue from Contracts with Customers to allocate the consideration in the contract.

In the case of Operating Leases or embedded operating leases, the lease income from the operating lease is recognised in revenue over the lease term to reflect the pattern of use benefit derived from the leased asset. The respective leased assets are included in the Balance Sheet based on their nature and depreciated over its economic life.

24.0 Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the 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 /liabilities are classified as non-current assets / liabilities.

29.0 Miscellaneous

- a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.
- b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending transfer of ownership, inspection and acceptance by the Group.

(IV) Recent accounting pronouncements: Standards issued but not yet effective

Vide notification dated March 31, 2023, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards, and are effective from April 1, 2023. The summary of the major amendments and its impact on the Group are given hereunder:

- i) **Ind AS 1 – Presentation of financial statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment on the Group's financial statements is insignificant.
- ii) **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on the Group's financial statements.
- iii) **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on the Group's financial statements.
- iv) Amendments/ revision in other standards (IND AS 101, IND AS 102, IND AS 103, IND AS 107, IND AS 109 and IND AS 115) are either not applicable or do not have any material impact on the Group's financial statements.

NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at	Additions	Deductions	Adjustments	As at	For the	As at	As at
	01.04.2022				01.04.2022	Year	31.03.2023	31.03.2022
Land – Freehold (Refer Note 2.1.1 and 2.1.2)	1,151.11	64.89	-	(665.68)	-	-	550.32	1,151.11
Roads and Bridges	310.79	19.33	-	43.84	87.48	13.14	105.96	223.31
Buildings	2,270.45	47.62	1.50	18.19	562.88	83.00	653.91	1,707.57
Railway sidings	13.06	-	-	-	13.06	-	13.06	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	16,046.70	12.45	0.73	(4.76)	5,545.25	666.14	6,211.65	10,501.45
Generating Plant and machinery	7,975.36	202.78	16.50	(3.60)	2,707.95	345.09	3,047.62	5,267.41
Plant and machinery – Sub station	55.95	2.32	0.76	0.82	17.88	2.38	19.91	38.07
Plant and machinery – Transmission lines	71.72	14.69	0.05	-	28.30	3.29	31.58	43.42
Plant and machinery – Others	39.80	1.54	0.20	1.43	15.74	1.99	17.96	24.06
Construction Plant and Machinery	53.39	1.12	0.27	(2.06)	29.42	3.01	31.44	23.97
Water Supply System/Drainage and Sewerage	62.83	0.90	0.16	1.52	15.07	2.93	18.49	47.76
Electrical installations	20.53	0.56	0.04	0.30	3.15	0.91	4.04	17.38
Vehicles	27.11	1.96	0.61	1.81	10.51	1.63	12.84	16.60
Aircraft/ Boats	1.97	-	0.12	-	0.72	0.14	0.82	1.25
Furniture and fixture	39.85	9.89	0.41	4.14	15.43	2.78	19.69	24.42
Computer and Peripherals	56.77	18.66	1.44	4.28	39.74	7.80	49.67	17.03
Communication Equipment	13.53	2.07	0.29	0.14	4.59	0.67	5.14	8.94
Office Equipments	124.40	21.51	2.20	9.25	47.07	7.39	56.60	77.33
Total	28,335.32	422.29	25.28	(590.38)	9,144.24	1,142.29	10,300.38	19,191.08
Previous Year	27,352.09	1,044.96	24.56	(37.17)	8,013.86	1,116.59	9,144.24	19,191.08

Note: --

- 2.1.1 (i) Adjustment in gross block under "Land Freehold" includes an amount of Rs. 690.00 Crore pertaining to Dibang Basin Project which has been reclassified under "Right of Use Assets".
- (ii) The Company has gained control of Chenab Valley Power Project Private Limited (CVPPPL) w.e.f. 21.11.2022. Accordingly, adjustment in Gross Block includes amount of Rs. 110.42 crore in respect of Gross Block of Chenab Valley Power Projects Pvt. Limited upto 31.03.2022.
- 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 into between NHPC Limited and LDHCL.
- 2.1.3 Refer Note No 34(1) of Consolidated Financial Statements for information on non-current assets equitably mortgaged/hypothecated with banks as security against borrowings.

2.1.4 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.1.5 Foreign Exchange Rate Variation included in adjustments to gross block of assets are as follows: -

PARTICULARS	For the Year ended 31.03.2023 (₹ in crore)	For the Year ended 31.03.2022 (₹ in crore)
Roads and Bridges	(0.15)	(1.22)
Buildings	(1.09)	(8.63)
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	(4.91)	(38.73)
Generating Plant and machinery	(1.28)	(10.07)
Plant and machinery Sub-station	(0.01)	(0.08)
Water Supply System/Drainage and Sewerage	(0.01)	(0.04)
Total	(7.45)	(58.77)

2.1.6 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.

2.1.7 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

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2022
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land – Freehold	1,151.11	64.89	-	(665.68)	550.32	-	-	-	550.32	1,151.11
Roads and Bridges	403.36	19.33	-	43.76	466.45	180.05	13.14	5.26	198.45	223.31
Buildings	2,984.26	47.62	2.72	19.09	3,048.25	1,276.69	83.00	7.71	1,367.40	1,707.57
Railway sidings	31.98	-	-	-	31.98	31.98	-	-	31.98	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	21,877.87	12.45	0.73	(4.41)	21,885.18	11,376.42	666.14	0.61	12,043.17	10,501.45
Generating Plant and machinery	10,857.85	202.78	21.35	(3.51)	11,035.77	5,590.44	345.09	(10.18)	5,925.35	5,267.41
Plant and machinery - Sub station	106.80	2.32	2.01	0.82	107.93	68.73	2.38	(1.60)	69.51	38.07
Plant and machinery - Transmission lines	98.69	14.69	0.09	-	113.29	55.27	3.29	(0.05)	58.51	43.42
Plant and machinery - Others	54.98	1.54	0.81	1.47	57.18	30.92	1.99	(0.34)	32.57	24.06

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at	Additions	Deductions	Adjustments	As at	For the Year	Adjustments	As at	As at	As at
	01.04.2022				31.03.2023	01.04.2022		31.03.2023	31.03.2023	31.03.2022
Construction Plant and Machinery	107.34	1.12	0.69	(2.54)	105.23	83.37	3.01	(1.89)	84.49	20.74
Water Supply System/ Drainage and Sewerage	72.57	0.90	0.32	1.66	74.81	24.81	2.93	0.47	28.21	46.60
Electrical installations	21.70	0.56	0.05	0.31	22.52	4.32	0.91	(0.02)	5.21	17.31
Vehicles	35.94	1.96	1.13	2.01	38.78	19.34	1.63	0.38	21.35	17.43
Aircraft/ Boats	2.15	-	0.12	-	2.03	0.90	0.14	(0.04)	1.00	1.03
Furniture and fixture	63.60	9.89	0.63	4.40	77.26	39.18	2.78	1.52	43.48	33.78
Computer and Peripherals	78.54	18.66	3.44	4.68	98.44	61.51	7.80	0.53	69.84	28.60
Communication Equipment	18.38	2.07	0.49	0.13	20.09	9.44	0.67	(0.33)	9.78	10.31
Office Equipments	174.35	21.51	4.27	9.97	201.56	97.02	7.39	0.79	105.20	96.36
Total	38,141.47	422.29	38.85	(587.84)	37,937.07	18,950.39	1,142.29	2.82	20,095.50	17,841.57
Previous Year	37,206.29	1,044.97	49.54	(60.25)	38,141.47	17,868.06	1,116.59	(34.26)	18,950.39	19,191.08

Note:

Underground works amounting to ₹ 10496.48 crore (Previous Year ₹ 10496.48 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 (FY 2021-22)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Deductions	Adjustments	As at	For the Year	Adjustments	As at	As at	As at
	01.04.2021				31.03.2022	01.04.2021	Year	31.03.2022	31.03.2022	31.03.2021
Land – Freehold (Refer Note 2.1.1)	414.01	737.41	0.05	(0.26)	1,151.11	-	-	-	1,151.11	414.01
Roads and Bridges	309.41	4.00	1.15	(1.47)	310.79	76.24	11.66	(0.42)	87.48	233.17
Buildings	2,255.73	23.53	0.10	(8.71)	2,270.45	485.10	77.81	(0.03)	562.88	1,770.63
Railway sidings	13.06	-	-	-	13.06	13.06	-	-	13.06	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	16,003.01	83.87	2.55	(37.63)	16,046.70	4,887.41	657.19	0.65	5,545.25	11,115.60
Generating Plant and machinery	7,819.45	158.45	13.24	10.70	7,975.36	2,353.07	338.07	16.81	2,707.95	5,466.38
Plant and machinery - Sub station	54.17	1.78	0.31	0.31	55.95	15.31	2.39	0.18	17.88	38.86
Plant and machinery - Transmission lines	70.99	0.84	0.08	(0.03)	71.72	25.35	2.99	(0.04)	28.30	45.64
Plant and machinery - Others	39.28	0.79	0.24	(0.03)	39.80	13.76	2.11	(0.13)	15.74	25.52
Construction Plant and Machinery	52.38	1.52	0.51	-	53.39	26.20	3.34	(0.12)	29.42	26.18
Water Supply System/Drainage and Sewerage	59.06	3.94	-	(0.17)	62.83	12.57	2.50	-	15.07	46.49

PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at	Additions	Deductions	Adjustments	As at	For the	As at	As at
	01.04.2021				31.03.2022	Year	31.03.2022	31.03.2021
Electrical installations	17.20	3.39	0.06	-	20.53	0.88	3.15	17.38
Vehicles	23.40	4.22	0.51	-	27.11	1.29	10.51	16.60
Aircraft/ Boats	1.93	0.05	0.01	-	1.97	0.14	0.72	1.25
Furniture and fixture	37.98	2.21	0.34	-	39.85	2.12	15.43	24.42
Computer and Peripherals	50.36	7.88	1.59	0.12	56.77	6.39	39.74	17.03
Communication Equipment	13.24	0.82	0.53	-	13.53	0.61	4.59	8.94
Office Equipments	117.43	10.26	3.29	-	124.40	7.10	47.07	77.33
Total	27,352.09	1,044.96	24.56	(37.17)	28,335.32	1,116.59	13.79	19,191.08
Previous Year	28,940.11	259.30	52.32	(1,795.00)	27,352.09	1,227.36	8,013.86	19,338.23

Note: --

- 2.1.1 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.
- 2.1.2 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.
- 2.1.3 Refer Note no. 34(19) of Consolidated financial statement for information regarding Impairment of Assets.
- 2.1.4 Foreign Exchange Rate Variation included in Adjustments to gross block of the assets are as follows: -

PARTICULARS	For the Year ended 31.03.2022	For the Year ended 31.03.2021
	(₹ in crore)	(₹ in crore)
Roads and Bridges	(1.22)	(1.03)
Buildings	(8.63)	(7.29)
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	(38.73)	(32.73)
Generating Plant and machinery	(10.07)	(8.52)
Plant and machinery Sub station	(0.08)	(0.07)
Water Supply System/Drainage and Sewerage	(0.04)	(0.04)
Total	(58.77)	(49.68)

- 2.1.5 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.

- 2.1.6 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

PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at	Additions	Deductions	Adjustments	As at	For the	As at	As at
	01.04.2021				31.03.2022	Year	31.03.2022	31.03.2021
Land – Freehold	414.01	737.41	0.05	(0.26)	1,151.11	-	-	1,151.11
Roads and Bridges	402.74	4.00	1.91	(1.47)	403.36	11.66	(1.18)	223.31
Buildings	2,969.86	23.53	0.43	(8.70)	2,984.26	77.81	(0.35)	1,707.57
Railway sidings	31.98	-	-	-	31.98	-	31.98	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	21,840.52	83.87	7.79	(38.73)	21,877.87	657.19	(5.69)	10,501.45
Generating Plant and machinery	10,726.38	158.45	16.08	(10.90)	10,857.85	338.07	(7.63)	5,267.41
Plant and machinery - Sub station	105.41	1.78	0.37	(0.02)	106.80	2.39	(0.21)	38.07
Plant and machinery - Transmission lines	97.97	0.84	0.10	(0.02)	98.69	2.99	(0.04)	43.42
Plant and machinery - Others	54.94	0.79	0.71	(0.04)	54.98	2.11	(0.61)	24.06
Construction Plant and Machinery	110.71	1.52	4.88	(0.01)	107.34	3.34	(4.50)	23.97
Water Supply System/Drainage and Sewerage	68.80	3.94	0.01	(0.16)	72.57	2.50	-	47.76
Electrical installations	18.38	3.40	0.08	-	21.70	0.88	(0.05)	17.38
Vehicles	33.39	4.22	1.67	-	35.94	1.29	(1.33)	16.60
Aircraft/ Boats	2.16	0.05	0.06	-	2.15	0.14	(0.05)	1.25
Furniture and fixture	61.99	2.21	0.62	0.02	63.60	2.12	(0.42)	24.51
Computer and Peripherals	76.92	7.88	6.29	0.03	78.54	6.39	(5.80)	17.03
Communication Equipment	18.80	0.82	1.24	-	18.38	0.61	(0.94)	8.94
Office Equipments	171.33	10.26	7.25	0.01	174.35	7.10	(5.46)	77.33
Total	37,206.29	1,044.97	49.54	(60.25)	38,141.47	1,116.59	(34.26)	19,191.08
Previous Year	38,995.89	259.30	63.61	(1,985.29)	37,206.29	1,227.36	(719.43)	19,338.23

Explanatory Note: -

2.1.1 Underground works amounting to ₹ 10496.48 crore (Previous Year ₹ 10494.51 crore), created on "Land -Right to Use" classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

NOTE NO. 2.2 CAPITAL WORKS IN PROGRESS (CWIP)

(₹ in Crore)

Particulars	As at 01.04.2022	Addition	Adjustment (Refer Note 2.2.8)	Capitalised	As at 31.03.2023
Roads and Bridges	135.43	95.28	14.43	22.02	223.12
Buildings	1,234.75	702.74	339.21	48.09	2,228.61
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	7,519.97	3,712.14	454.72	12.37	11,674.46
Generating Plant and Machinery	3,060.48	692.78	136.57	153.22	3,736.61
Plant and Machinery - Sub station	6.50	3.99	4.09	5.02	9.56
Plant and Machinery - Transmission lines	11.82	27.31	3.21	13.39	28.95
Plant and Machinery - Others	0.73	0.53	-	0.15	1.11
Construction Equipment	-	0.79	-	-	0.79
Water Supply System/Drainage and Sewerage	0.48	3.15	0.35	0.43	3.55
Communication Equipments	-	0.21	-	0.21	-
Office Equipments	0.13	2.67	0.04	2.48	0.36
Other assets awaiting installation	11.90	36.62	(0.68)	38.89	8.95
Survey, investigation, consultancy and supervision charges	229.10	64.59	30.32	0.07	323.94
Expenditure on compensatory Afforestation	15.95	-	-	-	15.95
Expenditure Attributable to Construction (Refer Note-32 and 2.2.7)	11,119.79	1,988.70	972.46	5.36	14,075.59
Sub total	23,347.03	7,331.50	1,954.72	301.70	32,331.55
Less: Capital Work in Progress provided for (Refer Note 2.2.3 and 2.2.9)	962.05	158.09	-	-	1,120.14
Sub total (a)	22,384.98	7,173.41	1,954.72	301.70	31,211.41
Construction Stores	137.18		2.24		139.42
Less : Provisions for construction stores	0.26		0.07		0.33
Sub total (b)	136.92		2.17		139.09
TOTAL (a + b)	22,521.90	7,173.41	1,956.89	301.70	31,350.50
Previous Year	19,166.79	3,585.42	61.62	291.93	22,521.90

Explanatory Notes: -

2.2.1 (a) CWIP ageing schedule as on 31st March 2023

(₹ in Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	7,425.44	3,839.86	2,286.68	17,798.52	31,350.50
Projects temporarily Suspended	-	-	-	-	-
Total	7,425.44	3,839.86	2,286.68	17,798.52	31,350.50

(b) CWIP Completion Schedule as on 31st March 2023 for delayed projects

(₹ in Crore)

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Parbati-II	9,920.38	-	-	-	9,920.38
Subansiri Lower Project	12,357.07	1,590.10	-	-	13,947.17
Kalpi Solar Project	126.11	-	-	-	126.11
Total	22,403.56	1,590.10	-	-	23,993.66

- 2.2.2 Expenditure attributable to Construction (EAC) includes ₹ 1318.71 Crore (Previous year ₹ 1029.85 Crore) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**
- 2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1293.90 Crore (Previous Year ₹ 1234.99 Crore) on projects under Survey & Investigation stage. Out of this, a sum of ₹ 964.21 Crore (Previous Year ₹ 962.02 Crore) has been provided for in respect of Bursar ₹ 226.94 Crore (Previous Year ₹ 226.80 Crore), Kotli Bhel Projects ₹ 374.12 Crore (Previous Year ₹ 372.48 Crore), Tawang Basin Projects ₹ 237.15 Crore (Previous Year ₹ 237.15 Crore), Dhauliganga Intermediate Project & Goriganga Project ₹ 82.28 Crore (Previous Year ₹ 82.07 Crore) and Subansiri Upper Projects ₹ 43.72 Crore (Previous Year ₹ 43.52 Crore) where uncertainties are attached. However, remaining amount of ₹ 329.69 Crore (Previous Year ₹ 272.97 Crore) pertaining to other projects having reasonable certainty of getting clearance, is carried forward under Capital Work in Progress (CWIP). **(Also Refer Note 34(25), 34(26), 34(27) and 34(28) of Consolidated Financial Statements).**
- 2.2.4 Underground Works amounting to ₹ 3499.94 Crore (Previous Year ₹ 2959.11 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 (11) of Consolidated Financial Statements for information on non-current assets mortgaged/hypothecated with Lenders as security against borrowings.
- 2.2.6 Refer Note no. 34 (19) of Consolidated Financial Statements for information regarding Impairment of Assets.
- 2.2.7 Expenditure Attributable to Construction (EAC) includes ₹ 202.93 Crore (Previous Year ₹ 158.50 Crore) on account of expenses on downstream protection work in respect of Subansiri Lower Project, against which cumulative grant amounting to ₹ 78.05 Crore (up to Previous Year ₹ 74.07 Crore) has been received from Government of India. The Grant so received has been recognised under ‘Other non current liabilities’ (Note-19.1) and shall be amortised on a systematic basis over the useful life of the project in the Statement of Profit and Loss after commissioning of the project.
- 2.2.8 The Company has gained control of Chenab Valley Power Project Private Limited (CVPPPL) w.e.f. 21.11.2022. Accordingly, Capital work in progress (CWIP) of CVPPPL as at 31st March 2022 amounting to ₹ 1893.86 crore has been included under “Adjustment” column.
- 2.2.9 Provision against Capital Work in Progress includes an amount of ₹ 155.96 crore on account of impairment provision credited during FY 2022-23 towards expenditure incurred on Loktak Downstream Project of Loktak Downstream Hydroelectric Corporation Limited. considering delay in investment sanction.

NOTE NO. 2.2 CAPITAL WORK IN PROGRESS (CWIP) (FY 2021-22)

(₹ in Crore)

Particulars	As at 01.04.2021	Addition	Adjustment	Capitalised	As at 31.03.2022
Roads and Bridges	63.47	77.08	0.41	5.53	135.43
Buildings	1,036.25	227.36	0.38	29.24	1,234.75
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	6,298.23	1,308.34	(2.13)	84.47	7,519.97
Generating Plant and Machinery	2,905.94	268.13	(0.67)	112.92	3,060.48
Plant and Machinery - Sub station	2.58	4.51	0.01	0.60	6.50
Plant and Machinery - Transmission lines	6.94	5.18	-	0.30	11.82
Plant and Machinery - Others	1.67	1.76	-	2.70	0.73
Water Supply System/Drainage and Sewerage	1.90	2.36	-	3.78	0.48
Computers	-	0.48	-	0.48	-
Office Equipments	-	0.13	0.24	0.24	0.13
Other assets awaiting installation	11.68	31.33	(0.01)	31.10	11.90
Survey, investigation, consultancy and supervision charges	203.54	25.56	-	-	229.10
Expenditure on compensatory Afforestation	15.95	-	-	-	15.95
Expenditure Attributable to Construction (Refer Note-32)	9,497.73	1,640.67	1.96	20.57	11,119.79
Sub total	20,045.88	3,592.89	0.19	291.93	23,347.03
Less: Capital Work in Progress provided (Refer Note 2.2.3)	954.58	7.47	-	-	962.05
Sub total (a)	19,091.30	3,585.42	0.19	291.93	22,384.98
Construction Stores	75.81		61.37		137.18
Less : Provisions for construction stores	0.32		(0.06)		0.26
Sub total (b)	75.49		61.43		136.92
TOTAL (a + b)	19,166.79	3,585.42	61.62	291.93	22,521.90
Previous Year	17,180.41	2,287.04	(94.08)	206.58	19,166.79

Explanatory Notes: -

2.2.1 (a) CWIP ageing schedule as on 31st March 2022

(₹ in Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	3,547.06	1,959.30	2,185.13	14,830.41	22,521.90
Projects temporarily Suspended	-	-	-	-	-
Total	3,547.06	1,959.30	2,185.13	14,830.41	22,521.90

(b) CWIP Completion Schedule as on 31st March 2022 for delayed projects

(₹ in Crore)

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Parbati-II	9,147.00	-		-	9,147.00
Subansiri Lower Project	7,189.75	3,289.47		-	10,479.22
Total	16,336.75	3,289.47	-	-	19,626.22

- 2.2.2 Expenditure attributable to Construction (EAC) includes ₹ 1029.85 Crore (Previous year ₹ 997.08 Crore) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**
- 2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1234.99 Crore (Previous Year ₹ 1192.72 Crore) on projects under Survey & Investigation stage. Out of this, a sum of ₹ 962.02 Crore (Previous Year ₹ 954.58 Crore) has been provided for in respect of Bursar ₹ 226.80 Crore (Previous Year ₹ 226.78 Crore), Kotli Bhel Projects ₹ 372.48 Crore (Previous Year ₹ 368.72 Crore), Tawang Basin Projects ₹ 237.15 Crore (Previous Year ₹ 233.68 Crore), Dhauliganga Intermediate Project & Goriganga Project ₹ 82.07 Crore (Previous Year ₹ 81.88 Crore) and Subansiri Upper Projects ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) where uncertainties are attached. However, remaining amount of ₹ 272.97 Crore (Previous Year ₹ 238.14 Crore) pertaining to other projects having reasonable certainty of getting clearance, is carried forward under Capital Work in Progress (CWIP). **(Also Refer Note 34(25), 34(26), 34(27) and 34(28)** of Consolidated Financial Statements).
- 2.2.4 Underground Works amounting to ₹ 2959.11 Crore (Previous Year ₹ 2317.10 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 mortgaged/hypothecated with banks as security for borrowings.
- 2.2.6 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.
- 2.2.7 Expenditure attributable to construction (EAC) includes ₹ 158.50 Crore on account of expenses on downstream protection work in respect of Subansiri Lower Project, against which grant amounting to ₹ 74.07 Crore has been received from Government of India. The Grant so received has been recognised under 'Other non current liabilities' (Note-19.1) and shall be amortised in the Statement of Profit and Loss after commissioning of the project on a systematic basis over the useful life of the project.

NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2022
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2022
Land – Leasehold (Refer Note 2.3.2)	322.43	75.92	0.58	376.44	774.21	18.33	33.86	109.61	265.01
Building under Lease	5.07	0.80	1.94	0.88	4.81	0.67	(1.15)	3.14	1.45
Vehicles	9.36	2.39	2.57	1.22	10.40	4.72	(1.68)	4.88	4.64
Land-Right of Use (Refer Note 2.3.1 and 2.3.2)	2,803.01	183.22	0.06	1,145.66	4,131.83	69.70	(1.86)	515.70	2,355.15
TOTAL	3,139.87	262.33	5.15	1,524.20	4,921.25	90.54	29.17	633.33	2,626.25
Previous Year	3,076.05	63.49	1.77	2.10	3,139.87	83.32	1.26	513.62	2,626.25

Note:-

2.3.1 Land- Right of use includes forest land diverted by respective State Forest Departments for use by project.

2.3.2 (i) Adjustment in gross block under "Land Right of Use" is in respect of land pertaining to Dibang Basin Project which has been reclassified from "Property, Plant and Equipment".

(ii) The Company has gained control of Chenab Valley Power Project Private Limited (CVPPPL) w.e.f. 21.11.2022. Accordingly, adjustment in Gross Block includes amount of Rs. 836.60 crore in respect of Gross Block of Chenab Valley Power Projects Pvt. Limited upto 31.03.2022.

2.3.3 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.3.4 Additional disclosure of Right of use Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

ANNEXURE-I TO NOTE NO. 2.3 RIGHT OF USE ASSETS

Additional Disclosure of Right of Use Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2022
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2022
Land – Leasehold	335.32	75.92	0.60	376.70	787.34	18.33	34.10	122.74	265.01
Building under Lease	5.07	0.80	1.94	0.88	4.81	0.67	(1.15)	3.14	1.45
Vehicles	9.36	2.39	2.57	1.22	10.40	4.72	(1.68)	4.88	4.64
Land-Right of Use	3,151.81	183.22	0.06	1,147.52	4,482.49	69.70	-	866.36	2,355.15
TOTAL	3,501.56	262.33	5.17	1,526.32	5,285.04	90.54	31.27	997.12	2,626.25
Previous Year	3,439.86	63.49	1.77	(0.02)	3,501.56	83.32	(0.86)	875.31	2,626.25

(₹ in Crore)

NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at	Additions	Deductions	Adjustments	As at	As at	For the	Adjustments	As at	As at
	01.04.2021				31.03.2022	01.04.2021	Year		31.03.2022	31.03.2021
Land – Leasehold	314.87	8.35	1.03	0.24	322.43	45.02	12.44	(0.04)	57.42	269.85
Building under Lease	5.40	0.41	0.74	-	5.07	3.04	1.14	(0.56)	3.62	2.36
Vehicles	4.40	4.96	-	-	9.36	3.15	1.57	-	4.72	1.25
Land-Right of Use (Refer Note 2.3.1)	2,751.38	49.77	-	1.86	2,803.01	377.83	68.17	1.86	447.86	2,373.55
TOTAL	3,076.05	63.49	1.77	2.10	3,139.87	429.04	83.32	1.26	513.62	2,626.25
Previous Year	3,122.27	15.38	19.19	(42.41)	3,076.05	355.96	82.32	(9.24)	429.04	2,647.01

Note: -

2.3.1 Land- Right of use includes forest land diverted by the State Forest Department only for use by project.

2.3.2 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.3.3 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-I 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 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	As at 01.04.2021	For the Year	Adjustments	As at 31.03.2022	As at 31.03.2021
Land – Leasehold	328.02	8.35	1.03	(0.02)	335.32	58.17	12.44	(0.30)	70.31	269.85
Building under Lease	5.40	0.41	0.74	-	5.07	3.04	1.14	(0.56)	3.62	2.36
Vehicles	4.40	4.96	-	-	9.36	3.15	1.57	-	4.72	1.25
Land-Right of Use	3,102.04	49.77	-	-	3,151.81	728.49	68.17	-	796.66	2,373.55
TOTAL	3,439.86	63.49	1.77	(0.02)	3,501.56	792.85	83.32	(0.86)	875.31	2,626.25
Previous Year	3,488.20	15.38	19.19	(44.53)	3,439.86	721.89	82.32	(11.36)	792.85	2,647.01

NOTENO. 2.4 INVESTMENT PROPERTY

(₹ in Crore)

PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land Freehold	4.49	-	-	-	4.49	-	4.49
TOTAL	4.49	-	-	-	4.49	-	4.49
Previous Year	4.49	-	-	-	4.49	-	4.49

Note:-

2.4.1 Amounts recognised in profit or loss for investment property

(₹ in Crore)

PARTICULARS	For the Year ended 31.03.2023	For the Year ended 31.03.2022
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

2.4.2 Disclosure regarding fair value of Investment Property

(₹ in Crore)

PARTICULARS	As at 31.03.2023	As at 31.03.2022
Fair Value of investment property	98.01	78.90

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. The fair value disclosed is based on the valuation by a registered valuer as defined under rule (2) of Companies (Registered Valuers and Valuation) Rules, 2017 and considered to be level-II of fair valuation hierarchy.

NOTE NO. 2.4 INVESTMENT PROPERTY

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at	Additions	Deductions	Adjustments	As at	For the	As at	As at
	01.04.2021				31.03.2022	Year	31.03.2022	31.03.2021
Land Freehold	4.49	-	-	-	4.49	-	-	4.49
TOTAL	4.49	-	-	-	4.49	-	4.49	4.49
Previous Year	4.49	-	-	-	4.49	-	-	4.49

Notes:-

2.4.1 Amounts recognised in profit or loss for investment property

PARTICULARS	For the Year ended 31.03.2022	For the year ended 31.03.2021
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

2.4.2 Disclosure regarding fair value of Investment Property

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Fair Value of investment property	78.90	72.87

2.4.3 Investment property comprise of freehold land which was bought for normal business requirements of the group. However, due to change in business plans, the group is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

2.4.4 Valuation process

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level -II of fair valuation hierarchy.

NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	For the Year	As at 01.04.2022	As at 31.03.2023	As at 31.03.2022
Computer Software	20.08	3.82	1.67	1.04	23.27	3.62	16.80	19.86	3.28
Total	20.08	3.82	1.67	1.04	23.27	3.62	16.80	19.86	3.28
Previous Year	15.61	4.47	-	-	20.08	4.71	12.09	16.80	3.28

Note :

2.5.1 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-I** to this Note.

ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS Additional disclosure of Intangible Assets

(₹ in Crore)

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	For the Year	As at 01.04.2022	As at 31.03.2023	As at 31.03.2022
Computer Software	57.24	3.82	4.78	1.04	57.32	3.62	53.96	53.91	3.28
Total	57.24	3.82	4.78	1.04	57.32	3.62	53.96	53.91	3.28
Previous Year	52.90	4.47	0.05	(0.08)	57.24	4.71	49.38	53.96	3.28

NOTE NO. 2.5 INTANGIBLE ASSETS

Additional disclosure of Intangible Assets

(₹ in Crore)

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	For the Year	As at 01.04.2021	As at 31.03.2022	As at 31.03.2021
Computer Software	15.61	4.47	-	-	20.08	4.71	12.09	16.80	3.52
Total	15.61	4.47	-	-	20.08	4.71	12.09	16.80	3.52
Previous Year	10.98	5.03	0.17	(0.23)	15.61	2.22	10.26	12.09	3.52

Note :

2.5.1 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-I** to this Note.

ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

Additional disclosure of Intangible Assets

(₹ in Crore)

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	For the Year	As at 01.04.2021	As at 31.03.2022	As at 31.03.2021
Computer Software	52.90	4.47	0.05	(0.08)	57.24	4.71	49.38	53.96	3.52
Total	52.90	4.47	0.05	(0.08)	57.24	4.71	49.38	53.96	3.52
Previous Year	48.62	5.03	0.47	(0.28)	52.90	2.22	47.90	49.38	3.52

NOTE NO. 2.6 INTANGIBLE ASSETS UNDER DEVELOPMENT

PARTICULARS	(₹ in Crore)			
	As at 01.04.2022	Additions	Adjustment	Capitalised As at 31.03.2023
Computer Software	0.51	4.66	1.07	6.24
Total	0.51	4.66	1.07	6.24
Previous Year	0.17	0.47	-	0.51

2.6.1 a) Intangible Assets Under Development ageing schedule as on 31st March 2023

Intangible Assets Under Development	(₹ in Crore)			
	Amount in CWIP for a period of			Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Projects in Progress	4.66	1.54	0.02	0.02
Total	4.66	1.54	0.02	6.24

b) Intangible Assets Under Development Completion Schedule as on 31st March 2023 for delayed projects: NIL

NOTE NO. 2.6 INTANGIBLE ASSETS UNDER DEVELOPMENT

PARTICULARS	(₹ in Crore)			
	As at 01.04.2021	Additions	Adjustment	Capitalised
Computer Software	0.17	0.47	-	0.13
Total	0.17	0.47	-	0.51
Previous Year	-	0.17	-	0.17

2.6.1 a) Intangible Assets Under Development ageing schedule as on 31st March 2022

Intangible Assets Under Development	(₹ in Crore)			
	Amount in CWIP for a period of			Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Projects in Progress	0.47	0.02	0.02	-
Total	0.47	0.02	0.02	0.51

b) Intangible Assets Under Development Completion Schedule as on 31st March 2022 for delayed projects: NIL

NOTE NO. 2.7.1 : 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-23	31-Mar-22	31-Mar-23	31-Mar-22
National High Power Test Laboratory Private Limited (NHPTL) (Refer Note 2.7.1.1)	India	Equity Method	20.00%	20.00%	-	14.24
Chenab Valley Power Projects (P) Limited (CVPPPL) (upto 20.11.2022) (Refer Note 2.7.1.2)	India	Equity Method	-	55.13%	-	1861.92
Total Equity accounted investments					-	1,876.16

NOTE NO. 2.7.2 : SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in crore)		
Name of entity	31-Mar-23	31-Mar-22
National High Power Test Laboratory Private Limited (NHPTL) (Refer Note 2.7.1.1)	(14.24)	(3.97)
Chenab Valley Power Projects (P) Limited (CVPPPL) (upto 20.11.2022) (Refer Note 2.7.1.2)	9.15	2.58
TOTAL	(5.09)	(1.39)

2.7.1.1: National High Power Test Laboratory Private Limited (NHPTL)

(₹ in crore)		
Particulars	31-Mar-23	31-Mar-22
Profit/ (Loss) for the year as per Statement of Profit & Loss	(111.29)	(20.02)
Share of Adjustment in Other Equity	(0.01)	0.15
% of Ownership interest	20.00%	20.00%
Share of Net Loss of Joint Venture	(22.26)	(3.97)
Interest in Joint Venture available for adjusting current year losses (A)	14.24	18.21
Share of Net Loss adjusted against Interest in Joint Venture (B)	(14.24)	(3.97)
(Also Refer Note 34(33))		
Value of Investment Accounted for using Equity Method (A+B)	-	14.24

2.7.1.2: Chenab Valley Power Projects (P) Limited (CVPPPL) (upto 20.11.2022)

During FY 2021-22, NHPC has obtained approval of the Ministry of Power, Government of India for acquiring the shareholding of M/s PTC (India) Limited, one of the Joint Venture partners, amounting to 2% of the equity shares of CVPPPL on 12 May 2021. Purchase consideration has been paid to M/s PTC (India) Limited for acquisition of 40,80,000 shares of CVPPPL during FY 2021-22. A supplementary Promoters Agreement in respect of CVPPPL has been signed between NHPC and JKSPDC on 21.11.2022, consequent to which NHPC has gained control of CVPPPL. Accordingly, accounts of CVPPPL has been consolidated as joint venture using equity method upto 20.11.2022 and as subsidiary w.e.f. 21.11.2022.

Summary of share of profit of CVPPPL as Joint Venture upto 20.11.2022 is as under:

(₹ in crore)		
Particulars	31-Mar-22	
Profit/ (Loss) as per Statement of Profit & Loss	17.12	4.67
% of Ownership interest	53.44%	55.13%
Share of Net Profit of Joint Venture	9.15	2.58

NOTE NO. 2.7.3 : SHARE OF OTHER COMPREHENSIVE INCOME OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in crore)		
Name of entity	31-Mar-23	31-Mar-22
National High Power Test Laboratory Private Limited (NHPTL)	-	-
Chenab Valley Power Projects (P) Limited. (CVPPPL) upto 20.11.2022	-	-
TOTAL	-	-

NOTE NO. 2.7.4 : 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.

(a) Summarised Balance Sheet

(₹ in crore)				
Particulars	NHPTL		CVPPPL	
	31-Mar-23	31-Mar-22	20-Nov-22	31-Mar-22
Current Assets				
Cash & Cash Equivalents	7.67	2.58	54.63	394.33
Other Assets	3.41	3.16	1,112.72	739.53
Total Current Assets	11.08	5.74	1,167.35	1,133.86
Regulatory Deferral Account Balances	-	-	0.44	0.10
Total non-current assets	225.13	328.60	3,986.54	3,252.45
Total Assets (A)	236.21	334.34	5,154.33	4,386.41
Current Liabilities				
Financial Liabilities (excluding Trade payables)	94.84	65.60	221.10	131.05
Other Liabilities	9.06	9.69	134.73	147.81
Total current liabilities	103.90	75.29	355.83	278.86
Non-current liabilities				
Financial Liabilities (excluding trade payables)	172.03	185.19	373.95	211.91
Other liabilities	0.38	2.66	677.03	405.18
Total non-current liabilities	172.41	187.85	1,050.98	617.09
Total Liabilities (B)	276.31	263.14	1,406.81	895.95
Net Assets (A-B)	(40.10)	71.20	3,747.52	3,490.46
Less:-Share application money received pending allotment	-	-	32.00	100.00
Net Asset after adjusting share application money pending allotment	(40.10)	71.20	3,715.52	3,390.46

(b) Reconciliation of Carrying Amounts

(₹ in crore)

Particulars	NHPTL		CVPPPL	
	31-Mar-23	31-Mar-22	20-Nov-22	31-Mar-22
Opening Net Assets	71.20	91.08	3,390.46	2,529.12
Profit/(Loss) for the year	(111.29)	(20.03)	17.12	4.67
Other comprehensive income	-	-	-	-
Equity Contribution	-	-	307.94	856.67
Adjustment in other equity (Opening)	(0.01)	0.15	-	-
Closing net assets	(40.10)	71.20	3,715.52	3,390.46
Group's share (in %)	20.00%	20.00%	53.44%	55.13%
Group's share #	-	14.24	1985.40	1869.23
Goodwill/(Capital Reserve)	-	-	(1.55)	(2.46)
Carrying Amount	-	14.24	1,983.85	1,866.77
Less: Profit on intra group transaction	-	-	5.50	4.85
Net Carrying amount	-	14.24	1,978.35	1,861.92
Add: Unrealized Profit adjusted with CWIP			5.50	
Add: Capital Reserve transferred to Other Equity			1.55	
Less: Elimination of Net Asset Value as on 20.11.2022			1,985.40	
Net Carrying Amount	-	14.24	-	1,861.92

The carrying value of Investment in NHPTL has been considered **NIL** (Previous Year ₹ **14.24 crore**). (Refer Note 34(33) of Consolidated Financial Statements)

(c) Summarised statement of Profit & Loss

(₹ in Crore)

Particulars	NHPTL		CVPPPL	
	31-Mar-23	31-Mar-22	20-Nov-22	31-Mar-22
Revenue	20.06	14.65	-	-
Interest Income	0.12	0.38	33.83	31.39
Depreciation & Amortisation	8.61	8.51	0.38	1.05
Interest Expense	20.96	19.18	0.01	0.03
Other Expenditure	101.90	7.36	8.15	17.84
Income Tax Expense	-	-	8.51	7.90
Movement in Regulatory Deferral Account Balances (Net of Tax)	-	-	0.34	0.10
Profit/(Loss) from continuing operations	(111.29)	(20.02)	17.12	4.67
Profit/(Loss) for the year	(111.29)	(20.02)	17.12	4.67
Other Comprehensive income	-	-	-	-
Total Comprehensive Income	(111.29)	(20.02)	17.12	4.67

NOTE NO. 3.1 NON-CURRENT INVESTMENTS

PARTICULARS	As at 31 st March 2023		As at 31 st March 2022	
	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				
PTC India Ltd. (Fully Paid Up) (Refer Note 3.1.1 A) (Face Value of ₹ 10/- each)	1,20,00,000	102.06	1,20,00,000	98.70
Total (A)		102.06		98.70
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 Mar 2024 (Per Unit Value of ₹ 10000/- each)	-	-	1,50,000	158.43
8.20% Oil Marketing Companies GOI Special Bonds 15 Sep 2024 (Per Unit Value of ₹ 10000/- each)	12,380	12.53	12,380	13.12
8.28% GOI 21 Sep 2027 (Per Unit Value of ₹ 10000/- each)	57,000	59.31	57,000	61.82
8.26% GOI 02 Aug 2027 (Per Unit Value of ₹ 10000/- each)	17,940	18.63	17,940	19.39
8.28% GOI 15 Feb 2032 (Per Unit Value of ₹ 10000/- each)	35,000	37.11	35,000	38.20
8.32% GOI 02 Aug 2032 (Per Unit Value of ₹ 10000/- each)	34,000	36.31	34,000	37.17
Sub-total (a)		163.89		328.13
(b) Bonds of Public Sector Undertaking/Public Financial Institution & Corporates				
7.41% IIFCL Tax Free Bonds 15.11.2032 (Per Unit Value of ₹ 10,00,000/- each)	120	14.58	120	13.79
8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each)	1,00,000	11.56	1,00,000	12.23
8.48% NHAI TAX FREE 22.11.2028 (Per Unit Value of ₹ 10,00,000/- each)	473	55.13	473	57.49
Sub-total (b)		81.27		83.51
Total (B) (a+b)		245.16		411.64
Total (A+B)		347.22		510.34
3.1.1 Aggregate amount and market value of quoted investments		347.22		510.34
3.1.1A The Board of Directors of the Company in its meeting held on 6 th January, 2023 accorded in-principle approval for withdrawal from PTC India Ltd. (PTC). The Company is in discussion with other promoters to finalize the modalities of exit from PTC. Pending final decision in the matter, the investment in PTC has been continued to be classified as non-current financial asset.				
3.1.2 Investment in Government Securities (Non-Current & Current) at cost of ₹ 212.80 Crore (Previous Year ₹ 174.31 Crore) is earmarked as security being 15 percent of total redemption value of Bonds maturing during the Financial Year 2023-24. (Also Refer Note 7.1)				

- 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 Market Value of Quoted Investments in respect of debt instruments for which recent quotations are not available 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 31 st March, 2023	As at 31 st March, 2022
Trade Receivables - Considered Good- Unsecured (Refer 3.2.1, 3.2.2 and 3.2.3)	473.51	-
TOTAL	473.51	-

- 3.2.1 Ageing schedule of Non Current Trade Receivables :- (₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Undisputed Trade receivables-Considered Good-Not Due	473.51	-
3.2.2 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

- 3.2.3 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

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

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
At Amortised Cost		
A Loan to Related Party - Credit Impaired- Unsecured (Refer Note 34(10), 3.3.1, 3.3.2 and 3.3.7)	15.64	17.48
Less:- Loss Allowances for doubtful loan to Related Party (Refer Note 3.3.4)	15.64	
Sub-total	-	17.48
B Loans to Employees (Refer Note 3.3.2 and 3.3.3)		
- Considered good- Secured	206.01	162.58
- Considered good- Unsecured	37.01	61.12
Sub-total	243.02	223.70
C Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.3.5)		
- Considered good- Unsecured	875.18	802.92
Sub-total	875.18	802.92
TOTAL	1118.20	1044.10

3.3.1 Loan to Related Parties (granted for business purpose)

- National High Power Test Laboratory (P) Limited	15.64	17.48
Total	15.64	17.48

Detail of Repayment:- Loan amounting to ₹ 6.00 crore and ₹ 12.40 crore were released to NHPTL on dated 11.05.2018 and 31.03.2021 respectively. The loan is interest bearing at the rate of 10% per annum, compounded annually and is repayable in 20 equal half yearly instalments starting from 31.10.2022. Interest is payable half yearly on 30th April and 31st October of every financial year starting from 30.04.2021.

(₹ in crore)

	PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
3.3.2	Loans and advances in the nature of loan that are repayable on demand.	Nil	Nil
	Loans and advances in the nature of loan that are without specifying any terms or period of repayment.	Nil	Nil
3.3.3	Due from directors or other officers of the company (Refer Note 34(10) of Consolidated Financial Statements)	Nil	0.34
3.3.4	Loss Allowances for doubtful Loan to Related Party		
	Addition during the year	15.64	-
	Closing balance	15.64	-
	The loan released in favour of NHPTL was repayable in 20 equal half-yearly instalments starting from 31.10.2022. However, considering default in repayment of interest and instalment due on 31.10.2022, the Company has recognized an impairment provision for the outstanding loan during the year.		
3.3.5	Loan to Government of Arunachal Pradesh granted for business purpose includes :		
	- Principal	225.00	225.00
	- Interest	650.18	577.92
3.3.6	Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by changes in the credit risk of the counterparties.		
3.3.7	Advances due by Firms or Private Companies in which any director of the Company is a director or member	Nil	Nil
3.3.8	Particulars of Loans as required in terms of section 186(4) of Companies Act 2013 have been disclosed under Note 3.3 above.		
3.3.9	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 31 st March, 2023	As at 31 st March, 2022
A	Security Deposits		
	- Considered good- Unsecured	28.76	25.16
	Sub-total	28.76	25.16
B	Bank Deposits with more than 12 Months Maturity (Refer Note 3.4.2)	666.91	1,187.84
C	Lease Rent receivable (Refer Note 3.4.5 and 34(18(B)))	5,877.99	6,086.51
D	Amount Recoverable on account of Bonds Fully Serviced by Government of India (Refer Note 3.4.1 and 11(I))	2,017.20	2,017.20
E	Interest accrued on:		
	- Bank Deposits with more than 12 Months Maturity	16.58	39.84
F	Derivative Mark to Market Asset	0.24	22.35
G	Receivable on account of Late payment Surcharge	6.42	-
H	Amount Recoverable (Refer Note 3.4.3)	-	10.38
	TOTAL	8,614.10	9389.28

3.4.1 Refer Note 16.3.1 in respect of amount payable towards Bonds fully serviced by Government of India.

3.4.2 a) Bank Deposits of more than 12 months maturity includes:

- FDR of ₹ 4.60 Crore (Previous Year ₹ 0.35 Crore) which has been taken to provide 100% margin money for Bank Guarantee issued by the group for obtaining electricity connection/grid connectivity.
- An amount of ₹ 31.51 crore under lien with banks for non fund based credit, which is not freely available for the business of the Company included in stated amount.

3.4.3 Amount Recoverable includes amount recoverable from employees on account of excess Performance Related Pay (PRP) paid during the period 2017-18 to 2020-21.

- 3.4.4 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.
- 3.4.5 Refer Note 34(11) of the Consolidated Financial Statements with regard to assets mortgaged/hypothecated as security.

NOTE NO. 4 NON - CURRENT TAX ASSETS (NET)

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Advance Income Tax including Tax Deducted at Source	518.76	1,125.98
Less: Provision for Current Tax	508.24	1,108.93
Non - Current Tax (Refer Note No-23)	33.74	3.34
TOTAL	44.26	20.39

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A. CAPITAL ADVANCES		
- Considered good- Secured	217.42	145.12
- Considered good- Unsecured		
– Against bank guarantee	702.57	267.47
– Others	392.79	405.39
Less : Expenditure booked pending utilisation certificate	13.73	19.28
- Considered doubtful- Unsecured	141.45	201.76
Less : Allowances for doubtful advances (Refer Note 5.1)	141.45	201.76
Sub-total	1,299.05	798.70
B. ADVANCES OTHER THAN CAPITAL ADVANCES		
Deposits		
- Considered good- Unsecured	50.64	51.38
Sub-total	50.64	51.38
C. INTEREST ACCRUED		
Others		
- Considered good	5.31	1.44
D. OTHERS		
i) Advance against arbitration awards towards capital works (Unsecured)		
Released to Contractors - Against Bank Guarantee	1,231.31	1,140.40
Released to Contractors - Others	34.61	34.61
Deposited with Court	1,419.50	1,420.48
Sub-total	2,685.42	2,595.49
ii) Prepaid Expenditure	2.79	3.12
iii) Deferred Foreign Currency Fluctuation Assets/Expenditure		
Deferred Foreign Currency Fluctuation Assets	220.22	260.15
Deferred Expenditure on Foreign Currency Fluctuation	221.66	224.42
Sub-total	441.88	484.57
iv) Deferred Cost on Employees Advances	63.52	67.14
TOTAL	4,548.61	4,001.84

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
5.1 Allowances for doubtful Advances			
Opening Balance		201.76	201.76
Addition during the year		0.01	-
Reversed during the year		60.32	-
Closing balance		141.45	201.76
5.2 Due from directors or other officers of the company (Refer Note 34(10) of Consolidated Financial Statements)		Nil	Nil
5.3 Advances due by Firms or Private Companies in which any director of the Company is a director or member		Nil	Nil
5.4 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.			

NOTE NO. 6 INVENTORIES

(₹ in crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
(Valued at lower of Cost or Net Realisable Value)			
Stores and spares		158.20	133.45
Stores and spares-Stores in transit/ pending inspection		0.04	0.34
Loose tools		3.08	2.48
Scrap inventory		0.80	1.19
Material at site		-	6.87
Carbon Credits / Certified Emission Reductions (CERs) / Verified Carbon Units (VCUs)		2.32	-
Less: Allowances for Obsolescence and Diminution in Value (Refer Note 6.1)		3.26	3.89
TOTAL		161.18	140.44
6.1 Allowances for Obsolescence and Diminution in Value			
Opening Balance		3.89	8.66
Addition during the year (Refer Note 6.1.1)		0.32	0.62
Reversed during the year (Refer Note 6.1.2)		0.95	5.39
Closing balance		3.26	3.89
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.		0.32	0.62
6.1.2 Allowances for Obsolescence and Diminution in value of inventory booked in earlier years and reversed during the year		0.95	5.39

NOTE NO. 7.1 CURRENT - FINANCIAL ASSETS - INVESTMENTS

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)			
Government Securities			
8.35% SBI Right Issue GOI Special Bonds 27 Mar 2024 (Refer Note 7.1.1)		151.35	-
(Number of Bonds 150000 @ Face Value of ₹ 10000/- each)			
TOTAL		151.35	-
7.1.1 Refer Note 3.1.2 for earmarked as security against Bonds maturing during the Financial Year 2023-24.			

NOTE NO. 7.2 CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
Trade Receivables- Considered Good- Unsecured (Refer Note 7.2.2, 7.2.4, 7.2.5 and 7.2.6)		3,019.93	2,827.88
Trade Receivables-Unbilled- Considered Good- Unsecured (Refer Note 7.2.2, 7.2.3, 7.2.4 and 7.2.8)		3,140.66	2,347.96
Trade Receivables- Credit Impaired (Refer Note 7.2.2 and 7.2.3)		35.37	35.33
Less: Loss allowances for Trade Receivables (Refer Note 7.2.1)		35.37	35.33
TOTAL		6,160.59	5,175.84
7.2.1	Loss allowances for Trade Receivables		
	Opening Balance	35.33	33.76
	Addition during the year	0.04	3.95
	Reversed during the year	-	2.38
	Closing balance	35.37	35.33
7.2.2	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
7.2.3	Refer Annexure-I to Note No-7.2 for Ageing schedule of Trade Receivables.		
7.2.4	Represents receivable on account of :		
	Water Usage Charges	165.53	11.32
	Unbilled sale for the month of March	506.74	672.78
	MEA Sales	7.44	6.11
	Revision in NAPAF for 2009-14-Sewa-II Power Station (Refer Note 7.2.8)	32.97	32.97
	Saving due to refinancing & Bond Issue Expenses	(21.00)	(23.22)
	Tax adjustment including Deferred Tax Materialized	(99.58)	15.94
	Energy Shortfall	601.18	469.66
	Foreign Exchange Rate Variation	31.57	44.78
	Impact of AFC billed and recoverable as per New Regulation 2019-24 including Security Expenses	1,857.19	1,121.39
	Impact of O&M & Wage Revision	57.68	-
	Others	0.94	(3.77)
	Total	3,140.66	2,347.96

7.2.5 Due to short-term nature of current receivables, their carrying amount is assumed to be the same as their fair value.

7.2.6 Trade Receivables amounting to ₹ 948.04 (Previous Year ₹ 1323.90 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 Group guarantees to compensate the banks for credit losses that may occur in case of default by the respective beneficiaries. Refer Note 20.1.1 with regard to liability recognised in respect of discounted bills.

7.2.7 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.

7.2.8 Central Electricity Regulatory Commission(CERC) in its order dated 05.02.2020 in petition no. 281/GT/2018 allowed NAPAF of 90% for the period 2010-14 against 80% as allowed in its earlier order dated 06.09.2010 in petition No. 57/2010 with the stipulation that recovery of Incentive shall be allowed beyond 90% instead of beyond 80%. Since the said stipulation is ultra vires to the Tariff Regulations 2009-14, appeal has been filed with the Hon'ble Appellate Tribunal for Electricity (APTEL) against the review order dated 05.02.2020. Pending decision of APTEL, unbilled revenue booked in FY 2021-2022 against the incentive in respect of NAPAF beyond 80% and upto 90%, has not been reversed.

Annexure-I to Note No-7.2

As at 31st March 2023

(₹ in Crore)

Particulars	Unbilled	Not Due	Trade Receivable due and outstanding for following period from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade receivables- Considered Good	3,140.66	1,321.88	1,595.55	18.29	30.53	24.01	20.30	6,151.22
Disputed Trade receivables- Considered Good	-	-	6.78	2.59	-	-	-	9.37
Disputed Trade receivables- Credit Impaired	-	-	-	-	-	-	35.37	35.37
Total	3,140.66	1,321.88	1,602.33	20.88	30.53	24.01	55.67	6,195.96

As at 31st March 2022

(₹ in Crore)

Particulars	Unbilled	Not Due	Trade Receivable due and outstanding for following period from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade receivables- Considered Good	2,347.96	55.82	2,298.08	429.02	24.03	19.09	1.84	5,175.84
Disputed Trade receivables- Credit Impaired	-	-	-	-	-	-	35.33	35.33
Total	2,347.96	55.82	2,298.08	429.02	24.03	19.09	37.17	5,211.17

NOTE NO. 8 CURRENT - FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
A	Balances with banks		
	With scheduled banks		
	- In Current Accounts	531.29	1,009.82
	- In Deposit Accounts	488.51	304.85
	(Deposits with original maturity of less than three months)		
B	Cash in hand (Refer Note 8.1)	0.01	-
	TOTAL	1,019.81	1,314.67
8.1	Includes stamps in hand	0.01	-

NOTE 9 : CURRENT - FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
A	Bank Deposits for original maturity more than 3 months and upto 12 months (Refer Note 9.1)	1,519.36	507.52
B	Deposit -Unpaid Dividend (Refer Note 9.2 and 9.3)	52.30	47.54
C	Deposit -Unpaid Interest	87.22	87.16
D	Other Earmarked Balances with Banks (Refer Note 9.4)	14.99	1.46
TOTAL		1,673.87	643.68
9.1	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.	84.74	86.77
	(ii) held as Payment Security Fund i.e Principal and Interest thereon received under Solar 2000 MW Scheme in terms of Power Purchase Agreement Clause.	16.30	-
	(iii) Bank Deposits include an amount representing deposit by Oustees towards Land in respect of Omkareshwar Project, which is not freely available for the business of the Company.	0.08	0.08
	(iv) Bank Deposits 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.	7.87	7.52
	(v) Bank Deposits 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.	1.99	-
9.2	Includes unpaid dividend payable amounting to ₹ 22.99 Crore (Previous Year ₹ 24.64 Crore) and TDS on dividend ₹ 29.31 Crore (Previous Year ₹ 22.90 Crore).		
9.3	During the year, unpaid dividend of ₹ 3.68 Crore (Previous Year ₹ 0.80 Crore) has been paid to the Investor Education and Protection Fund. There is no amount due for payment to Investor Education and Protection Fund. (Refer Note 20.4.2)		
9.4	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.	1.45	0.87
	(ii) NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.	0.61	0.59
	(iii) Held for Payment of Monthly instalment on account of securitization of ROE of Chamera-I Power Station to Lender (HDFC Bank)	12.93	-

NOTE NO. 10 CURRENT - FINANCIAL ASSETS - LOANS

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
A	Loan (including interest thereon) to Related Party - (Refer Note 34(10), 10.1 and 10.2)		
	Loan Receivable - Unsecured (Considered Good)	-	0.92
	Loan Receivable-Credit Impaired - Unsecured	3.18	0.42
	Less : Loss Allowances for doubtful loan to Related Party (Refer Note 10.4)	3.18	0.42
	Sub-total	-	0.92
B	Loan to Employees (including accrued interest) (Refer Note 10.2 and 10.3)		
	- Loans Receivables- Considered good- Secured	25.79	20.50
	- Loans Receivables- Considered good- Unsecured	34.98	39.62
	- Credit Impaired- Unsecured	0.01	0.01

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Less : Loss Allowances for doubtful Employees loans (Refer Note 10.5)	0.01	0.01
Sub-total	60.77	60.12
TOTAL	60.77	61.04
10.1 Loan to Related Parties (Including Interest) granted for business purpose:-		
- National High Power Test Laboratory (P) Limited (Refer "A")	3.18	1.34
(A) Detail of Repayment:- Loan amounting to ₹ 6.00 crore and ₹ 12.40 crore were released to NHPTL on dated 11.05.2018 and 31.03.2021 respectively. The loan is interest bearing at the rate of 10% per annum, compounded annually and is repayable in 20 equal half yearly instalments starting from 31.10.2022. Interest is payable half yearly on 30 th April and 31 st October of every financial year starting from 30.04.2021. Above outstanding amount includes current maturity of loan ₹ 2.76 Crore and interest accrued ₹ 0.42 Crore as on 31.03.2023.		
10.2 Loans and advances in the nature of loan that are repayable on demand.	Nil	Nil
Loans and advances in the nature of loan that are without specifying any terms or period of repayment.	Nil	Nil
10.3 Due from directors or other officers of the company (refer Note 34(10) of Consolidated Financial Statements)	0.03	0.08
10.4 Loss Allowances for doubtful loan to Related Party		
Opening Balance	0.42	-
Addition during the year	2.76	0.42
Closing balance	3.18	0.42
10.5 Loss Allowances for doubtful Employees loans		
Opening Balance	0.01	0.01
Closing balance	0.01	0.01
10.6 Advance due by firms or private companies in which any Director of the Company is a Director or member.	Nil	Nil
10.7 Particulars of Loans as required in terms of section 186(4) of Companies Act 2013 have been disclosed under Note 10 above.		
10.8 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by changes in the credit risk of the counterparties.		
10.9 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.		

NOTE NO. 11 CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A Security Deposits		
- Considered good- Unsecured	1.10	0.36
Sub-total	1.10	0.36
B Amount recoverable (Refer Note 11.1)	907.07	809.80
Less: Loss Allowances for Doubtful Recoverables (Refer Note 11.2)	287.17	282.65
Sub-total	619.90	527.15
C Receivable from Joint Ventures	-	55.24
D Receivable on account of Late Payment Surcharge	30.91	81.77
E Lease Rent receivable (Finance Lease) (Refer Note 11.5 and 34(18)(B))	199.27	185.32
F Interest Income accrued on Bank Deposits (Refer Note 11.3)	83.87	34.25
G Interest recoverable from beneficiary	-	10.55
H Interest Accrued on Investment (Bonds)	2.53	2.53
I Amount Recoverable on account of Bonds Fully Serviced by Government of India (Refer Note 3.4(D))		
- Interest accrued	4.49	4.49
TOTAL	942.07	901.66

11.1 Amount recoverable includes:

- (i) An amount of claim ₹ 121.41crore (Previous Year: NIL) to be reimbursed by State Taxes Department, Government of J&K to the Company in terms of scheme "Reimbursement of State Goods and Services Taxes on Utilization of Goods and Service in the Power Projects in the Union Territory of Jammu and Kashmir (RSGTTP)" for development and construction of Pakal Dul HEP, Kiru HEP & Kwar HEP notified by Finance Department, Government of Jammu & Kashmir vide Notification SO. 281 dt. 17.08.2021 to the extent Suppliers' invoices are reflected in GSTR 2A of the Company including cash paid by it on Reverse Charge Mechanism (RCM) basis. Wherever the amount of claim to be reimbursed by State Taxes Department, Government of J&K was booked as cost of PPE/CWIP in earlier years, the same has also been included in the recoverable amount after Corresponding adjustment to PPE/CWIP.
- (ii) An amount of ₹ 15.91 crore (Previous Year: ₹ 38.68 crore) due from Govt. of Madhya Pradesh.
- (iii) An amount of ₹ 34.79 crore (Previous Year: ₹ 26.93 crore) on account of PRP recoverable from employees for the period 2017-18 to 2020-21. Pursuant to interim relief provided by Hon'ble MP High Court, recovery of ₹ 29.75 crore out of the above amount stayed temporarily.

11.2 Loss Allowances for Doubtful Recoverables

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
	Opening Balance	282.65	275.18
	Addition during the year	5.68	9.03
	Used during the year	0.12	1.38
	Reversed during the year	1.04	0.18
	Closing balance	287.17	282.65
11.3	Includes Interest accrued on balances of held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.	0.38	0.60
11.4	Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.		
11.5	Refer Note 34(11) of the Consolidated Financial Statements with regard to assets mortgaged/hypothecated as security.		

NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
	Current Tax Assets		
A	Advance Income Tax including Tax Deducted at Source	2,099.37	1,340.23
B	Less: Provision for Current Tax	1,968.30	1,218.80
	Net Current Tax Assets (A-B)	131.07	121.43
	Income Tax Refundable	2.00	24.36
	TOTAL	133.07	145.79

NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
A.	Advances other than Capital Advances		
a)	Deposits		
	- Considered good- Unsecured	34.48	29.10
	- Considered doubtful- Unsecured	84.89	84.89
	Less : Allowances for Doubtful Deposits (Refer Note 13.1)	84.89	84.89
	Sub-total	34.48	29.10
b)	Advance to contractors and suppliers (Refer Note 13.7)		
	- Considered good- Secured	0.12	0.38

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
- Considered good- Unsecured		
– Against bank guarantee	0.43	0.66
– Others	24.72	47.85
Less : Expenditure booked pending utilisation certificate	0.82	17.45
- Considered doubtful- Unsecured	45.52	61.93
Less : Allowances for doubtful advances (Refer Note 13.2)	45.52	61.93
Sub-total	24.45	31.44
c) Other advances - Employees		
- Considered good- Unsecured (Refer Note 13.6)	1.17	0.88
- Considered doubtful- Unsecured	0.04	0.01
Sub-total	1.21	0.89
d) Interest accrued		
Others		
- Considered Good	25.99	6.90
Sub-total	25.99	6.90
B. Others		
a) Expenditure awaiting adjustment	37.06	37.06
Less: Allowances for project expenses awaiting write off sanction (Refer Note 13.3)	37.06	37.06
Sub-total	-	-
b) Losses awaiting write off sanction/pending investigation	2.71	12.37
Less: Allowances for losses pending investigation/awaiting write off / sanction (Refer Note 13.4)	2.71	12.37
Sub-total	-	-
c) Prepaid Expenditure	162.40	154.74
d) Deferred Cost on Employees Advances	12.38	12.98
e) Deferred Foreign Currency Fluctuation		
Deferred Foreign Currency Fluctuation Assets	44.02	44.02
Deferred Expenditure on Foreign Currency Fluctuation	6.36	6.36
f) Surplus / Obsolete Assets (Refer Note 13.8)	8.11	6.92
g) Goods and Services Tax Input Credit Receivable	102.37	77.24
Less: Allowances against Goods and Services Tax Input Credit Receivable (Refer Note 13.5)	84.27	44.63
Sub-total	18.10	32.61
h) Others (Mainly on account of Material Issued to Contractors)	124.93	137.07
TOTAL	462.43	463.03
13.1 Allowances for Doubtful Deposits		
Opening Balance	84.89	74.79
Addition during the year	-	10.10
Closing balance	84.89	84.89
13.2 Allowances for doubtful advances (Contractors and Suppliers)		
Opening Balance	61.93	61.93
Reversed during the year	16.41	-
Closing balance	45.52	61.93
13.3 Allowances for project expenses awaiting write off sanction		
Opening Balance	37.06	37.06
Closing balance	37.06	37.06

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
13.4	Allowances for losses pending investigation/ awaiting write off / sanction		
	Opening Balance	12.37	8.51
	Addition during the year	-	6.28
	Used during the year	9.62	2.21
	Reversed during the year	0.04	0.21
	Closing balance	2.71	12.37
13.5	Allowances against Goods and Services Tax Input Credit Receivable		
	Opening Balance	44.63	13.54
	Addition during the year	39.64	31.09
	Closing balance	84.27	44.63
13.6	Due from directors or other officers of the company (refer Note 34(10) of Consolidated Financial Statements)	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 Statements with regard to confirmation of balances.		

NOTE NO. 14.1 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
A	Regulatory Deferral Account Balances in respect of Subansiri Lower Project		
	Opening Balance	3,470.59	3,470.59
	Closing balance	3,470.59	3,470.59
B	Wage Revision as per 3rd Pay Revision Committee		
	Opening Balance	495.41	609.61
	Adjustment during the year (through Statement of Profit and Loss) (Refer Note 31)	(501.90)	(116.53)
	Adjustment during the year (through Other Comprehensive Income) (Refer Note 30.2)	6.49	2.33
	Closing balance	-	495.41
C	Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff		
	Opening Balance	761.46	563.11
	Addition during the year (Refer Note 31)	199.36	198.35
	Closing balance	960.82	761.46
D	Exchange Differences on Monetary Items		
	Opening Balance	1.55	1.72
	Addition due to acquisition (Refer Note 14.1.2)	0.44	-
	Addition during the year (Refer Note 31)	1.23	(0.17)
	Closing balance	3.22	1.55

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
E	Adjustment against Deferred Tax Recoverable for tariff period upto 2009		
	Opening Balance	1,665.63	1,715.15
	Used during the year (Refer Note 31)	56.09	49.52
	Closing balance	1,609.55	1,665.63
F	Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards		
	Opening Balance	854.09	843.37
	Addition during the year (Refer Note 31)	1.18	10.72
	Reversed during the year (Refer Note 31)	217.16	-
	Closing balance	638.11	854.09
	Closing Balance (A+B+C+D+E+F)	6,682.29	7,248.73
	Less: Deferred Tax on Regulatory Deferral Account Balances	(8.56)	(280.39)
	Add: Deferred Tax recoverable from Beneficiaries	(8.56)	(280.39)
	Regulatory Deferral Account Balances net of Deferred Tax.	6,682.29	7,248.73
14.1.1	Refer Note 34(19) and 34(23) of Consolidated Financial Statements for further disclosures regarding Impairment and Regulatory Deferral Account Balances.		
14.1.2	The Company has gained control of CVPPPL w.e.f. 21.11.2022. Accordingly, outstanding balances of Regulatory Deferral Account Balances created on account of Exchange Differences on Monetary Item up to that date has been included in the Group.		

NOTE NO. 14.2 REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(₹ in crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
	MAT Credit to be Passed on to Beneficiaries		
	Opening Balance	2,016.72	763.78
	Addition during the year (Refer Note 31)	125.59	1313.27
	Used during the Year (Refer Note 31)	268.29	60.33
	Reversed during the year	390.07	-
	Closing Balance	1483.95	2016.72
14.2.1	Refer Note 34(23) of Consolidated Financial Statements for further disclosures regarding Regulatory Deferral Account Balances.		

NOTE : 15.1 EQUITY SHARE CAPITAL

PARTICULARS	As at 31 st March, 2023		As at 31 st March, 2022	
	Nos	Amount (₹ in Crore)	Nos	Amount (₹ in Crore)
Authorized Share Capital (Par value per share ₹ 10)	15000000000	15,000.00	15000000000	15,000.00
Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	10045034805	10045.03	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 31 st March, 2023		As at 31 st March, 2022	
	Nos	Amount (₹ in Crore)	Nos	Amount (₹ in Crore)
Opening Balance	10045034805	10,045.03	10045034805	10,045.03
Closing Balance	10045034805	10,045.03	10045034805	10,045.03

15.1.2 The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.1.3 Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held :-

PARTICULARS	As at 31 st March, 2023		As at 31 st March, 2022	
	Number	In (%)	Number	In (%)
- President of India	7126772676	70.95%	7126772676	70.95%
- Life Insurance Corporation of India	349142900	3.48%	704952213	7.02%

15.1.4 214285714 equity shares of ₹ 10 each were bought back during the period of five years immediately preceeding the date of Balance Sheet.

15.1.5 Shareholding of Promoters as at 31st March 2023

Promoter Name	No. of Shares	% of Total Shares	% Change during the Year
- President of India	7126772676	70.95%	-

15.1.6 Shareholding of Promoters as at 31st March 2022

Promoter Name	No. of Shares	% of Total Shares	% Change during the Year
- President of India	7126772676	70.95%	-

NOTE NO. 15.2 OTHER EQUITY

PARTICULARS	(₹ in Crore)	
	As at 31 st March, 2023	As at 31 st March, 2022
(i) Capital Reserve		
As per last Balance Sheet	64.08	64.08
Add: Addition During the Year (Refer Note 2.7.4(b))	1.55	-
As at Balance Sheet date	65.63	64.08
(ii) Capital Redemption Reserve		
As per last Balance Sheet	2,255.71	2,255.71
As at Balance Sheet date	2,255.71	2,255.71
(iii) Bond Redemption Reserve		
As per last Balance Sheet	1,366.25	1,641.95
Add: Transfer to Surplus / Retained Earnings	236.95	275.70
As at Balance Sheet date	1,129.30	1,366.25
(iv) General Reserve		
As per last Balance Sheet	11,544.83	11,544.83
As at Balance Sheet date	11,544.83	11,544.83
(v) Surplus/Retained Earnings		
As per last Balance Sheet	9,521.15	7,374.95
Add: Profit during the year	3,889.98	3,523.57
Add: Other Comprehensive Income during the year	4.30	14.61

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Add: Transfer from Bond Redemption Reserve	236.95	275.70
Less: Dividend (Final and Interim) (Refer Note 33(3)(C))	1,908.56	1,667.48
Add: Transactions with NCI	(0.41)	(0.20)
As at Balance Sheet date	11,743.41	9,521.15
(vi) Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments		
As per last Balance Sheet	37.19	45.41
Add: Change in Fair value of FVTOCI (Net of Tax)	(11.86)	(8.22)
As at Balance Sheet date	25.33	37.19
(vii) Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments		
As per last Balance Sheet	86.74	81.34
Add: Change in Fair value of FVTOCI (Net of tax)	3.36	5.40
As at Balance Sheet date	90.10	86.74
TOTAL	26,854.31	24,875.95

15.2.1 NATURE AND PURPOSE OF RESERVES

- (i) **Capital Reserve :** The Company has acquired Jal Power Corporation Limited (JPCL) and Lanco Teesta Hydro Power Limited (LTHPL) through National Company Law Tribunal (NCLT) during previous Years. Fair value of assets acquired over and above the amount paid had been recognised in Capital Reserve. During the current Financial Year, the Company has gained control over Chenab Valley Power Project Pvt. Limited (CVPPPL) w.e.f. 21.11.2022, due to which Capital Reserve recognised till 20.11.2022 under equity method has been transferred to the Group's 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. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.
- (iii) **Bond Redemption Reserve :** As per the Companies (Share Capital and Debentures) Rules, 2014, the Company was required to create a Bond Redemption Reserve out of available profits for the purpose of redemption of bonds. The Companies (Share Capital and Debentures) Amendment Rules, 2019 exempts the Company from creation of Bond Redemption Reserve. The Amendment Rules, 2019 further stipulate that the amount credited to Debenture Redemption Reserve shall not be utilized by the company except for the purpose of redemption of debentures. Accordingly, though the Bond Redemption Reserve created till 31.03.2019 has been carried forward and further utilised for bonds redeemed during the current year, no further accrual to the reserve has been made.
- (iv) **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. The same will be utilised as per the provisions of the Companies Act, 2013.
- (v) **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.
- (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 off or on maturity of these instruments.
- (vii) **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 directly to retained earnings when the relevant equity securities are disposed off.

NOTE NO. 15.3 : NON-CONTROLLING INTERESTS (NCI)

Name of Subsidiaries	As at 31-Mar-23	As at 31-Mar-22
NHDC Limited	2,785.33	2,761.56
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	(0.07)	39.76
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	12.28	12.66
Lanco Teesta Hydro Power Limited (LTHPL)	-	-
Jalpower Corporation Limited (JPCL)	-	-
Ratle Hydroelectric Power Corporation Limited (RHPCL)	235.18	48.89
NHPC Renewable Energy Limited (NREL)- w.e.f. 16-Feb-2022	-	-
Chenab Valley Power Projects (P) Limited (CVPPPL) w.e.f. 21-Nov-2022 (Refer Note 15.3.1)	1,782.41	-
TOTAL	4,815.13	2,862.87

15.3.1 During FY 2021-22, NHPC has obtained the approval of the Ministry of Power, Govt. of India for acquiring the shareholding of M/s PTC (India) Limited, one of the Joint Venture partners, amounting to 2% of the equity shares of CVPPPL on 12 May 2021. Purchase consideration has been paid to M/s PTC (India) Limited for acquisition of 40,80,000 shares of CVPPPL during FY 2021-22. A supplementary Promoters Agreement in respect of CVPPPL has been signed between NHPC and JKSPDC on 21.11.2022, consequent to which NHPC has gained control of CVPPPL. Accordingly, accounts of CVPPPL have been consolidated as joint venture using equity method upto 20.11.2022 and as subsidiary w.e.f. 21.11.2022. [Also refer Note 34 (32) of Consolidated Financial Statements]

15.3.2 Explanatory Note:

a) INTERESTS IN OTHER ENTITIES

The group's subsidiaries at 31st March, 2022 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 incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	
		%	%	%	%	
NHDC Limited	India	51.08	51.08	48.92	48.92	Electricity generation
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	India	74.82	74.83	25.18	25.17	Electricity generation
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	India	86.94	86.67	13.06	13.33	Electricity generation
Lanco Teesta Hydro Power Limited (LTHPL)	India	100.00	100.00	0.00	0.00	Electricity generation
Jalpower Corporation Limited	India	100.00	100.00	0.00	0.00	Electricity generation
Ratle Hydroelectric Power Corporation Limited (RHPCL)	India	51.00	73.53	49.00	26.47	Electricity generation
NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022#	India	100.00	NA	0.00	NA	Electricity generation

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	
		%	%	%	%	
Chenab Valley Power Projects (P) Limited (w.e.f. 21.11.2022)	India	52.74	NA	47.26	NA	Electricity generation

NHPC Limited has formed a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. The first Financial Statements of the NREL has been prepared in current Financial Year.

b) Non-Controlling Interest (NCI)

Set out below is the 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-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Current Assets	2,038.20	1,310.51	0.27	1.85	22.31	18.39	44.82	15.19
Current Liabilities	425.87	358.70	1.36	1.82	23.33	15.47	153.61	51.58
Net Current Assets	1,612.33	951.81	(1.09)	0.03	(1.02)	2.92	(108.79)	(36.39)
Non-current Assets	5,350.96	6,100.73	0.79	160.18	255.45	167.42	2,455.24	1,528.34
Regulatory Deferral Account Balance	(299.13)	(402.81)	-	-	-	-	-	-
Non-current Liabilities	970.90	1,005.05	-	-	160.39	75.32	581.81	10.99
Net Non-current Assets	4,080.93	4,692.87	0.79	160.18	95.06	92.10	1,873.43	1,517.35
Net Assets	5,693.26	5,644.68	(0.30)	160.21	94.04	95.02	1,764.64	1,480.96
Share Application money pending allotment	-	-	-	-	-	-	-	-
Share Application money received from Parent	-	-	-	-	-	-	-	-
Total of Non Controlling Interest	2,785.33	2,761.56	(0.07)	39.76	12.28	12.66	-	-

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.e.f. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Current Assets	45.18	73.27	112.64	178.34	17.96	-	869.01	-
Current Liabilities	38.01	19.50	16.20	117.10	0.01	-	322.83	-
Net Current Assets	7.17	53.77	96.44	61.24	17.95	-	546.18	-
Non-current Assets	601.87	252.47	302.50	125.03	0.46	-	4,514.95	-
Regulatory Deferral Account Balance	-	-	-	-	-	-	0.56	-
Non-current Liabilities	304.59	2.08	23.04	-	-	-	1,065.45	-

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.e.f. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Net Non-current Assets	297.28	250.39	279.46	125.03	0.46	-	3,450.06	-
Net Assets	304.45	304.16	375.90	186.27	18.41	-	3,996.24	-
Share Application money pending allotment	-	-	100.00	-	-	-	-	-
Share Application money received from Parent	-	-	-	1.56	-	-	224.69	-
Total of Non Controlling Interest	-	-	235.18	48.89	-	-	1,782.41	-

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)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Revenue	1,509.34	1,085.29	0.02	0.02	4.31	0.94	-	-
Profit/(Loss) for the year	670.75	452.63	(161.28)	0.01	(3.00)	(0.70)	(0.22)	(0.20)
Regulatory Deferral Income	103.68	60.33	-	-	-	-	-	-
Other Comprehensive income	(1.65)	(1.89)	-	-	-	-	-	-
Total Comprehensive income	772.78	511.07	(161.28)	0.01	(3.00)	(0.70)	(0.22)	(0.20)
Profit including "Movement in Regulatory Deferral Account Balances" allocated to NCI	378.88	250.96	(40.62)	-	(0.39)	(0.09)	-	-
OCI allocated to NCI	(0.81)	(0.93)	-	-	-	-	-	-
Dividends paid to NCI	354.30	280.37	-	-	-	-	-	-

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.e.f. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Revenue	0.40	0.70	9.05	2.09	0.83	-	19.63	-
Profit/(Loss) for the year	0.28	(0.48)	6.32	(0.43)	(1.59)	-	7.90	-
Regulatory Deferral Income	-	-	-	-	-	-	0.12	-
Other Comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive income	0.28	(0.48)	6.32	(0.43)	(1.59)	-	8.02	-

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.e.f. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Profit including "Movement in Regulatory Deferral Account Balances" allocated to NCI	-	-	3.10	(0.11)	-	-	3.79	-
OCI allocated to NCI	-	-	-	-	-	-	-	-
Dividends paid to NCI	-	-	-	-	-	-	-	-

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)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Cash flows from operating activities	721.22	332.62	-	-	14.21	(2.30)	55.02	(0.95)
Cash flows from investing activities	(82.50)	160.70	(2.33)	(7.56)	(75.14)	(133.10)	(904.11)	(469.36)
Cash flows from financing activities	(725.32)	(573.52)	0.78	8.31	64.16	107.04	880.23	443.90
Net increase /(decrease) in cash and cash equivalents	(86.60)	(80.20)	(1.55)	0.75	3.23	(28.36)	31.14	(26.41)

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.e.f. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Cash flows from operating activities	(0.49)	(1.49)	19.57	2.99	(2.79)	-	(12.71)	-
Cash flows from investing activities	(305.60)	(42.40)	(336.95)	(52.88)	(17.03)	-	198.49	-
Cash flows from financing activities	273.37	116.49	183.30	186.70	20.00	-	240.24	-
Net increase /(decrease) in cash and cash equivalents	(32.72)	72.60	(134.08)	136.81	0.18	-	426.02	-

NOTE NO. 16.1 NON CURRENT - FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
At Amortised Cost			
A	- Secured Loans		
	-Bonds	13,099.23	14,517.90
	-Term Loan		
	- from Banks	6,276.60	2,560.00
	- from Other (Financial Institutions)	-	158.00
B	- Unsecured Loans		
	- Bonds	996.00	-
	- Term Loan		
	- from Bank	853.31	930.25
	- from Government of India (Subordinate Debts) (Refer Note 16.1.3)	4,107.30	3,686.39
	- from Other (in Foreign Currency)	1,269.80	1,374.07
TOTAL		26,602.24	23,226.61

16.1.1 Debt Covenants : Refer Note no. 33(3) with regard to Capital Management.

16.1.2 Term Loan-From Government of India (Subordinate Debts) is net of fair valuation since these loans carrying interest rate which is lower than the prevailing market rate. Total Subordinate Debts outstanding as on 31.03.2023 is ₹ 5760.67 Crore (Previous Year ₹ 4760.29 Crore). This includes current maturity amounting to ₹ 23.11 Crore (Previous Year ₹ 23.11 Crore).

16.1.3 Particulars of Redemption, Repayments, Securities and rate of Interest.

NOTE NO. - 16.1.3

(₹ in Crore)

16.1.3. A Particulars of redemptions , repayments and securities		As at 31 st March, 2023	As at 31 st March, 2022
(A)	BONDS (Non-convertible and Non-cumulative)-Secured		
i)	TAX FREE BONDS- 3A SERIES (Refer Note 16.1.3.B(2&5)) (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 16.1.3.B(2&5)) (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 16.1.3.B(1&6)) (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 16.1.3.B(1&6)) (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 16.1.3.B(2&5)) (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 16.1.3.B(2&5)) (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

(₹ in Crore)

Particulars of redemptions, repayments and securities		As at 31 st March, 2023	As at 31 st March, 2022
vii) BONDS-AC SERIES (Refer Note 16.1.3.B (12)) (6.86% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10 th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 10 equal annual instalments commencing from 12.02.2027)		1,500.00	1,500.00
viii) BONDS-AB SERIES (Refer Note 16.1.3.B(11)) (6.80% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 750 Crores redeemable in 5 equal annual instalments commencing from 24.04.2026).		750.00	750.00
ix) BONDS-AA-1 SERIES (Refer Note 16.1.3.B(10)) (6.89% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual instalments commencing from 11.03.2026).		500.00	500.00
x) BONDS-AA SERIES (Refer Note 16.1.3.B(10)) (7.13% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 11.02.2026).		1,500.00	1,500.00
xi) BONDS-Y-1 SERIES (Refer Note 16.1.3.B(9)) (7.38% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual instalments commencing from 03.01.2026).		500.00	500.00
xii) BONDS-Y SERIES (Refer Note 16.1.3.B(9)) (7.50% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 07.10.2025).		1,500.00	1,500.00
xiii) TAX FREE BONDS- 1A SERIES (Refer Note 16.1.3.B(2&5)) (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
xiv) TAX FREE BONDS- 1B SERIES (Refer Note 16.1.3.B(2&5)) (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

(₹ in Crore)

Particulars of redemptions, repayments and securities		As at 31 st March, 2023	As at 31 st March, 2022
xv) BONDS-W2 SERIES (Refer Note 16.1.3.B(8)) (7.35% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 750 Crores redeemable in 5 equal annual instalments commencing from 15.09.2023).		750.00	750.00
xvi) BONDS-V2 SERIES (Refer Note 16.1.3.B(2)) (7.52% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 1475 Crores redeemable in 5 equal annual instalments commencing from 06.06.2023).		1,475.00	1,475.00
xvii) BONDS-X SERIES (Refer Note 16.1.3.B(2)) (8.65% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each Redeemable in 7 equal yearly instalments). (Bond issue amount of ₹ 1500 Crores redeemable in 7 equal annual instalments commencing from 08.02.2023. As on 31.03.2023, 6 annual instalments of ₹ 214.2857143 crore each are outstanding).		1,285.71	1,500.00
xviii) BONDS-T SERIES (Refer Note 16.1.3.B(1 and 6)) (8.50% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 1474.92 Crores redeemable in 12 equal annual instalments commencing from 12.07.2019. As on 31.03.2023, 8 annual instalments of ₹ 122.91 crore each are outstanding).		983.28	1,106.19
xix) BONDS-R-3 SERIES (Refer Note 16.1.3.B(2)) (8.78% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10 th of face value of Bond). (Bond issue amount of ₹ 892.00 Crores redeemable in 10 equal annual instalments commencing from 11.02.2019. As on 31.03.2023, 5 annual instalments of ₹ 89.20 Crores each are outstanding).		446.00	535.20
xx) BONDS-S-2 SERIES (Refer Note 16.1.3.B(6)) (8.54% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 660.00 Crores redeemable in 12 equal annual instalments commencing from 26.11.2018. As on 31.03.2023, 7 annual instalments of ₹ 55.00 crore each are outstanding).		385.00	440.00
xxi) BONDS-W1 SERIES (Refer Note 16.1.3.B(8)) (6.91% p.a. 5 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5 th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 15.09.2018. As on 31.03.2023, NIL outstanding).		-	300.00

(₹ in Crore)

Particulars of redemptions, repayments and securities		As at 31 st March, 2023	As at 31 st March, 2022
xxii) BONDS-Q SERIES (Refer Note 16.1.3.B(3&7))		422.00	527.50
(9.25% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 1266.00 Crores redeemable in 12 equal annual instalments commencing from 12.03.2016. As on 31.03.2023, 4 annual instalments of ₹ 105.50 Crores each are outstanding).			
xxiii) BONDS-R-2 SERIES (Refer Note 16.1.3.B(2))		127.36	159.20
(8.85% p.a. 14 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 382.08 Crores redeemable in 12 equal annual instalments commencing from 11.02.2016. As on 31.03.2023, 4 annual instalments of ₹ 31.84 Crores each are outstanding).			
xxiv) BONDS-P SERIES (Refer Note 16.1.3.B (2, 4 & 5))		400.00	600.00
(9.00% p.a. 15 Year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly instalments). (Bond issue amount of ₹ 2000 Crores redeemable in 10 equal annual instalments commencing from 01.02.2016. As on 31.03.2023, 2 annual instalments of ₹ 200 Crores each are outstanding).			
xxv) BONDS-S-1 SERIES (Refer Note 16.1.3.B(6))		73.00	109.50
(8.49% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10 th of face value of Bond). (Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual instalments commencing from 26.11.2015. As on 31.03.2023, 2 annual instalments of ₹ 36.50 Crores each are outstanding).			
xxvi) BONDS-R-1 SERIES (Refer Note 16.1.3.B(2))		20.55	27.40
(8.70% p.a. 13 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12 th of face value of Bond). (Bond issue amount of ₹ 82.20 Crores redeemable in 12 equal annual instalments commencing from 11.02.2015. As on 31.03.2023, 3 annual instalments of ₹ 6.85 Crores each are outstanding).			
Total Bonds		14,517.90	15,679.99
Less Current Maturities		1,418.67	1,162.09
Bonds - Net of current maturities (A)		13,099.23	14,517.90
(B) TERM LOANS - From Banks (Secured)			
i) CENTRAL BANK OF INDIA (Refer Note 16.1.3.B(2&3))		1,000.00	500.00
(Repayable in 92 equal monthly instalments of ₹ 10.8695652 Crore commencing from 01.05.2024 to 01.12.2031 at floating interest rate of 7.64% p.a. (Repo rate 6.25% PLUS 1.39% Spread with Quarterly reset) as on 31.03.2023).			
ii) J & K BANK LIMITED (Refer Note 16.1.3.B (16))		600.00	-
(Repayable in 108 equal monthly instalments of ₹ 5.5555556 Crore commencing from 01.04.2024 to 01.03.2033 at floating interest rate of 7.75% p.a. (Repo rate 6.50% PLUS 1.25% Spread with Quarterly reset) as on 31.03.2023).			

(₹ in Crore)

Particulars of redemptions, repayments and securities		As at 31 st March, 2023	As at 31 st March, 2022
iii)	HDFC BANK LIMITED (Refer Note 16.1.3.B (12,13&14)) (Repayable in 92 equal monthly instalments of ₹ 21.7391304 Crore commencing from 01.03.2024 to 01.10.2031 at floating interest rate of 8.19% p.a. (3 months Treasury Bill 6.26% PLUS 1.93% Spread with Quarterly reset) as on 31.03.2023)	2,000.00	2,000.00
iv)	STATE BANK OF INDIA (MONETISATION OF FREE CASH OF URI-I PS) (Refer Note 16.1.3.B (19)) (Repayable in 120 monthly instalments commencing from 31.03.2023 to 28.02.2033 at floating interest rate of 8.05% p.a. (3 months MCLR i.e. 8.00% PLUS 0.05% Spread with Quarterly reset) as on 31.03.2023 and 5% of actual revenue booked by NHPC for the Power Station from sale of Secondary Energy Units for previous 12 – month period shall be paid to the Bank at the end of respective 13-month period inclusive of the month of disbursement). (As on 31.03.2023, 119 monthly instalments are outstanding).	1,866.14	-
v)	HDFC BANK LIMITED (Refer Note 16.1.3.B (16)) (Repayable in 13 years on quarterly basis starting from 3rd quarter of FY 2023-24 to 2nd quarter of FY 2036-37 (with moratorium of 2 years) at Floating interest rate (RBI Repo rate plus 2.48 %). The loan has been taken by Bundelkhand Saur Urja Limited.	133.00	60.00
(vi)	J & K Bank Ltd. (Refer Note 16.1.3.B (17)) (Repayable in 80 equal monthly instalments w.e.f. 1 st September 2025 at floating interest rate (Repo plus 1.85 % spread with RBI Policy reset) of 8.10% p.a. as on 31.03.2023 after 36 months of moratorium period). The loan has been taken by Lanco Teesta Hydro Power Limited.	200.00	-
(vii)	Bank of Baroda (Refer Note 16.1.3.B (17)) (Repayable in 80 equal monthly instalments w.e.f. 1 st March 2026 at floating interest rate (G Sec. plus 0.60% spread with RBI Policy reset) of 7.65 % p.a. as on 31.03.2023 after 36 months of moratorium period). The loan has been taken by Lanco Teesta Hydro Power Limited.	350.00	-
viii)	J & K Bank Ltd. (Refer Note 16.1.3.B (18)) (Repayable in 80 equal monthly instalments w.e.f. 1 st October 2025 at floating interest rate (Repo plus 2% spread with RBI Policy reset) of 8.25% p.a. as on 31.03.2023). The loan has been taken by Jalpower Corporation Limited.	280.00	-
Total Term Loan - Banks (Secured)		6,429.14	2,560.00
Less Current Maturities		152.54	-
Term Loan - Banks Net of current maturities (B)		6,276.60	2,560.00
(C)	Term Loan-From other (Secured)		
	LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.3.B(3&7)) (Repayable in 2 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a.) (As on 31.03.2023, 2 half yearly instalments are outstanding).	158.00	316.00
Total Term Loan - Other Parties (Secured)		158.00	316.00
Less Current Maturities		158.00	158.00
Term Loan - Other Net of current maturities (C)		-	158.00

(₹ in Crore)

Particulars of redemptions, repayments and securities		As at 31 st March, 2023	As at 31 st March, 2023
(D) BONDS (Non-convertible and Non-cumulative)-Unsecured			
BONDS AD Series-2038		996.00	-
(7.59% p.a. 15 year Unsecured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 996 Crores redeemable in 12 equal annual instalments commencing from 20.02.2027).			
Total Bonds -(Unsecured) - including Current Maturities		996.00	-
Less Current Maturities		-	-
Total Bonds -(Unsecured) excluding Current Maturities (D)		996.00	-
(E) Term Loan-From Banks (Unsecured)			
HDFC Bank Ltd. (Securitization of Return on Equity of Chamera-I Power Station) (Refer Note 34(29))		936.98	1,010.01
(Repayable in 120 monthly instalments commencing from 31.03.2022 to 29.02.2032 at floating interest rate of 7.79% p.a. (3 months Treasury Bill i.e. 6.26% PLUS 1.53% Spread with Quarterly reset) as on 31.03.2023 and 5% of Income booked by NHPC for the Power Station against sale of Secondary Energy Units for previous 12-month period shall be paid to the HDFC at the end of the next month of every 12 month period completed inclusive of the month of disbursement). (As on 31.03.2023, 108 monthly instalments are outstanding).			
Total Term Loan - From Banks (Unsecured)		936.98	1,010.01
Less Current Maturities		83.67	79.76
Term Loan - From Banks (Unsecured) Net of current maturities (E)		853.31	930.25
(F) Term Loan-From Government of India (Unsecured)			
Loans from Government of India (At fair value)			
i) Subordinate Debt from Government of India for Kishanganga Power Station		2,919.77	2,870.05
(Repayable in 10 equal annual instalments of ₹ 377.429 Crore each in respect of undiscounted amount from the 11th year after commissioning of the project i.e. from 24-05-2029 at fixed interest rate of 1% p.a.)			
ii) Subordinate Debt from Government of India for Nimmo-Bazgo Power Station		438.54	433.63
(Repayable in 18 equal annual instalments of ₹ 29.095 Crore each in respect of undiscounted amount from the 12 th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)			
iii) Subordinate Debt from Government of India for Chutak Power Station		387.55	405.82
(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.) (As on 31.03.2023, 19 annual instalments of ₹ 23.11 Crores each are outstanding).			
iv) Subordinate Debt from Government of India for Pakaldul HEP		384.55	-
(Repayment to be started from 8 th year of completion of project and continue till 19 th year i.e. from July 2033 along with interest @ 1% per annum to be charged after the completion of the project)			
Total Term Loan -Government (Unsecured)		4,130.41	3,709.50
Less Current Maturities		23.11	23.11
Term Loan - Government Net of current maturities (F)		4,107.30	3,686.39

(₹ in Crore)

Particulars of redemptions, repayments and securities		As at 31 st March, 2023	As at 31 st March, 2022
(G) TERM LOANS - From Others- Foreign Currency (Unsecured)			
i) Japan International Cooperation Agency Tranche-I (Refer Note 16.1.3.B(15))	(Repayable in 6 equal half yearly instalments of ₹ 7.58 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2023)	45.48	60.80
ii) Japan International Cooperation Agency Tranche-II (Refer Note 16.1.3.B(15))	(Repayable in 10 equal half yearly instalments of ₹ 24.86 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2023)	248.65	299.19
iii) Japan International Cooperation Agency Tranche-III (Refer Note 16.1.3.B(15))	(Repayable in 22 equal half yearly instalments of ₹ 18.37 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2023)	404.05	441.98
iv) MUFG Bank Limited, Singapore	(Repayable in one instalment bullet on 25.07.2024 at 6 monthly compounded reference rate interest (CAS + Tona + 0.75%). The loan is hedged at coupon only swap fixed rate of 0.931 % p.a. & and call spread coupon fixed rate of 6.25% p.a. with JPY strike price of ₹ 0.90.)	673.24	674.00
Total Term Loan -Other Parties -Foreign Currency (Unsecured)		1,371.42	1,475.97
Less Current Maturities		101.62	101.90
Term Loan - Other Parties- Foreign Currency (Unsecured) (G)		1,269.80	1,374.07
Grand Total (A+B+C+D+E+F+G)		26,602.24	23,226.61

16.1.3.B PARTICULARS OF SECURITY

- 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 Union Territory of Jammu & Kashmir.
- 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.
- 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.
- 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 Uttarakhand.
- 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.
- 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.
- 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.
- 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 Power Station 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 union territory of Jammu & Kashmir.

9. Security creation by pari-passu charge by way of 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 Union Territory of Jammu & Kashmir.
10. Security creation by pari-passu charge, by way of mortgage/hypothecation against the movable and immovable assets (except for book debts and stores) of the Company's Parbati-II Project, Parbati-III Power Station, Chamara-II Power Station situated in the state of Himachal Pradesh and Dhauliganga Power Station situated in the state of Uttarakhand.
11. Security creation by pari-passu charge by way of mortgage/hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Chamara- II Power Station situated in the state of Himachal Pradesh.
12. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh.
13. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's TLDP-IV Power Station situated in the state of West Bengal.
14. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's Uri-II Power Station situated in the Union Territory of Jammu & Kashmir.
15. Security creation by First pari-passu charge by way of hypothecation against the Fixed assets (Present and Future) of the Company.
16. Loan is secured by hypothecation against immovable/movable assets of Bundelkhand Saur Urja Limited (Subsidiary). The loan is also secured by irrevocable and unconditional Corporate Guarantee from NHPC Limited.
17. Loan is secured by hypothecation against immovable/movable assets of Lanco Teesta Hydro Power Limited. The loan is also secured by way of Corporate Guarantee by NHPC Limited.
18. Loan is secured by hypothecation against immovable/movable assets of Jalpower Corporation Limited. The loan is secured against pari pasu charges on movable and immovable assets of Jalpower Corporation Limited. The loan is also secured by way of Corporate Guarantee by NHPC Limited.
19. Security creation by pari-passu charge by way of hypothecation against the immovable structures of the Company's Subansiri Lower Project situated in the state of Asaam and Arunachal Pradesh such as buildings, Dam, Power Tunnel, Tail Race Tunnel and other structures /erections/constructed/ to be constructed.

NOTE NO. 16.2 NON CURRENT - FINANCIAL LIABILITIES - LEASE LIABILITIES

(₹ in crore)		
PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Lease Liabilities (Refer Note 34(18)(A))	47.18	17.46
TOTAL	47.18	17.46

NOTE NO. 16.3 NON CURRENT - FINANCIAL LIABILITIES - OTHERS

(₹ in crore)		
PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Payable towards Bonds Fully Serviced by Government of India (Refer Note 16.3.1)		
- Principal	2,017.20	2,017.20
Retention Money	167.20	81.77
Liability against Capital Works	4.17	-
Payable for Late Payment Surcharge	1.45	-
Derivative MTM Liability	8.76	-
TOTAL	2,198.78	2,098.97

16.3.1 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 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. Further, 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:	2,017.20	2,017.20
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)		

NOTE NO. 17 NON CURRENT - PROVISIONS

(₹ in crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A. PROVISION FOR EMPLOYEE BENEFITS		
i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)		
As per last Balance Sheet	32.11	8.17
Additions during the year	16.84	24.52
Amount used during the year	2.03	0.58
Closing Balance	46.92	32.11
B. OTHERS		
i) Provision For Committed Capital Expenditure		
As per last Balance Sheet	1.41	1.37
Amount used during the year	0.66	0.10
Amount reversed during the year	0.11	-
Unwinding of discount	0.10	0.14
Closing Balance	0.74	1.41
ii) Provision For Livelihood Assistance		
As per last Balance Sheet	19.70	19.08
Additions during the year	1.06	0.23
Amount used during the year	0.32	-
Unwinding of discount	0.49	0.39
Closing Balance	20.93	19.70
iii) Provision-Others		
As per last Balance Sheet	1.07	1.07
Closing Balance	1.07	1.07
TOTAL	69.66	54.29

17.1 Information about nature and purpose of Provisions is given in Note 34 (22) of Consolidated Financial Statements.

NOTE NO. 18 NON CURRENT - DEFERRED TAX LIABILITIES (NET)

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
Deferred Tax Liability			
a)	Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	4,052.85	4,049.39
b)	Financial Assets at FVTOCI	19.09	22.69
c)	Other Items	769.08	745.81
d)	Undistributed Earnings	500.58	529.69
Deferred Tax Liability		5,341.60	5,347.58
Less:-Set off Deferred Tax Assets pursuant to set off provisions			
a)	Provision for employee benefit scheme, doubtful debts, inventory and others	505.13	445.66
b)	Other Items	71.79	57.80
c)	MAT credit entitlement (Refer Note 18.2)	2,301.07	2,401.68
Deferred Tax Assets		2,877.99	2,905.14
Deferred Tax Liability (Net)		2,463.61	2,442.44

18.1 Movement in Deferred Tax Liability/ (Assets) is given as Annexure to Note 18.1.

18.2 Detail of MAT Credit Entitlement:-

(₹ in Crore)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Opening Balance	2,401.68	993.40
Add: Recognised during the year	417.31	1,478.62
Less: Utilised during the year	517.92	70.34
Closing Balance	2,301.07	2,401.68

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 concessional rates by foregoing certain exemptions/ deductions (the new tax regime) as specified in the said section. Group has Minimum Alternate Tax (MAT) credit of ₹ 2829.72 Crore (including unrecognised amount of MAT Credit of ₹ 528.65 crore) lying unutilized as on 31st March, 2023 (Previous year ₹ 3347.64 Crore including unrecognised amount of MAT Credit of ₹ 945.95 crore) and is availing tax deductions in respect of its profit from generation of power from certain power stations. In view of the same, 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 Refer Note 14.2 and 34(23) of Consolidated Financial Statements for RDA (Credit) balances created against MAT Credit recognised.

18.1: MOVEMENT IN DEFERRED TAX LIABILITY / (ASSETS)

Financial Year 2022-23

Movement in Deferred Tax Liability						(₹ in Crore)
Particulars	Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Undistributed Earnings	Total	
At 1st April 2022	4,049.39	22.69	745.81	529.69	5,347.58	
Charged/(Credited)						
-to Profit or loss	3.46	-	25.89	(29.11)	0.24	
-to OCI	-	(3.60)	(2.62)	-	(6.22)	
At 31st March 2023	4,052.85	19.09	769.08	500.58	5,341.60	

Movement in Deferred Tax Assets

(₹ in Crore)

Particulars	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	MAT Credit	Total
At 1st April 2022	445.66	57.80	2,401.68	2,905.14
Charged/(Credited)				
-to Profit or loss	60.05	11.55	-100.61	(29.01)
-to OCI	-0.58	2.44	-	1.86
At 31st March 2023	505.13	71.79	2,301.07	2,877.99

Financial Year 2021-22**Movement in Deferred Tax Liability**

(₹ in Crore)

Particulars	Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Undistributed Earnings	Total
At 1st April 2021	4,012.53	25.19	717.65	538.23	5,293.60
Charged/(Credited)					-
-to Profit or loss	36.86	(1.38)	28.82	(8.54)	55.76
-to OCI	-	(1.12)	(0.66)	-	(1.78)
At 31st March 2022	4,049.39	22.69	745.81	529.69	5,347.58

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	Mat Credit	Total
At 1st April 2021	417.80	36.52	993.40	1,447.72
Charged/(Credited)				
-to Profit or loss	28.52	21.28	1,478.62	1,528.42
-MAT Credit Utilized against Current Tax Provision	-	-	(70.34)	(70.34)
-to OCI	(0.66)	-	-	(0.66)
At 31st March 2022	445.66	57.80	2,401.68	2,905.14

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Income received in advance-Advance Against Depreciation	831.38	886.69
Deferred Income from Foreign Currency Fluctuation Account	38.71	40.13
Grants in aid-from Government-Deferred Income (Refer Note 19.1)	2,695.16	2,111.03
TOTAL	3,565.25	3,037.85
19.1 GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME		
Opening Balance (Current and Non Current)	2,208.75	2,227.30
Add: Received during the year	682.60	78.71
Less: Transferred to Statement of Profit and Loss (Refer Note 24.2)	97.72	97.26
Closing Balance (Current and Non Current) (Refer Note 19.1.1)	2,793.63	2,208.75
Grants in Aid-from Government-Deferred Income (Current)- (Refer Note No-21)	98.47	97.72
Grants in Aid-from Government-Deferred Income (Non-Current)	2,695.16	2,111.03

(₹ in Crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
19.1.1	Grant includes:-		
(i)	Fair value gain on Subordinate Debts received from Government of India for Chutak Power Station, Nimoo Bazgo Power Station, Kishanganga Power Station and Pakal Dul HEP accounted as Grant In Aid.	1,770.29	1,135.17
(ii)	Funds (Grant-in-Aid) received from Government of India for Downstream Protection Measures in respect of Subansiri Lower HE Project.	78.05	74.07
(iii)	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 Tamil Nadu and Funds (Grant in Aid) received from Government of India for setting up rooftop Solar Power Plant.	21.10	22.15
(iv)	Grant received from Government of Madhya Pradesh for Indira Sagar & Omkareshwar Power Stations. (Refer Note 34(7))	905.30	963.34
(v)	Funds (Grant in Aid) received from Govt. of Uttar Pradesh for setting up Solar Power Project in the state including interest accrued thereon.	18.89	14.02
Total		2,793.63	2,208.75

NOTE NO. 20.1 CURRENT - FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
A	Other Loans		
	From Bank-Secured (Refer Note 20.1.1)	948.04	1,323.90
B	Current maturities of long term debt (Refer Note 20.1.2)		
	- Bonds	1,418.67	1,162.09
	- Term Loan -Banks-Secured	152.54	-
	- Term Loan -Financial Institutions-Secured	158.00	158.00
	- Term Loan -Banks-Unsecured	83.67	79.76
	- Unsecured-From Government (Subordinate Debts)	23.11	23.11
	- Other-Unsecured (in Foreign Currency)	101.62	101.90
Sub Total (B)		1,937.61	1,524.86
TOTAL (A+B)		2,885.65	2,848.76

20.1.1 Secured loan from Bank amounting to ₹ 948.04 Crore (Previous Year ₹ 1323.90 Crore) is towards amount payable to the banks by the beneficiaries on account of bills discounted with recourse against trade receivables. Refer Note 7.2.6 on continuing recognition of trade receivables liquidated by way of bill discounting.

20.1.2 Details of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Note No-16.1.2

NOTE NO. 20.2 CURRENT - FINANCIAL LIABILITIES- LEASE LIABILITIES

(₹ in crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
Current maturities of Lease Liabilities (Refer Note 34(18)(A))		4.77	3.12
TOTAL		4.77	3.12

NOTE NO. 20.3 CURRENT - FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in crore)

PARTICULARS		As at 31 st March, 2023	As at 31 st March, 2022
Total outstanding dues of micro enterprise and small enterprise(s)		46.67	30.37
Total outstanding dues of Creditors other than micro enterprises and small enterprises		188.15	183.74
TOTAL		234.82	214.11

20.3.1 Outstanding Liabilities towards Micro, Small and Medium Enterprise

20.3.2 Refer Annexure-I to Note No-20.3 for Ageing schedule of Trade Payables.

20.3.3 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of Balances.

ANNEXURE-I TO NOTE NO-20.3

As at 31st March 2023

(₹ in Crore)

Particulars	Unbilled	Not Due	Trade Payables due and outstanding for following period from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	21.73	19.19	5.88	-	-	-	46.80
(ii) Others	58.35	22.12	94.92	6.18	3.56	2.81	187.94
(iii) Disputed dues-MSME	0.03	0.05	-	-	-	-	0.08
Total	80.11	41.36	100.80	6.18	3.56	2.81	234.82

As at 31st March 2022

(₹ in crore)

Particulars	Unbilled	Not Due	Trade Payables due and outstanding for following period from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	7.69	-	21.39	1.11	0.27	0.11	30.57
(ii) Others	48.10	3.61	100.46	9.73	6.27	15.29	183.46
(iii) Disputed dues-MSME	-	-	0.04	-	0.04	-	0.08
Total	55.79	3.61	121.89	10.84	6.58	15.40	214.11

NOTE NO. 20.4 CURRENT - OTHER FINANCIAL LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Liability against capital works/supplies other than micro and small enterprises	819.32	583.87
Liability against capital works/supplies-Micro and Small Enterprises	16.67	12.59
Liability against Corporate Social Responsibility	13.44	14.89
Interest accrued but not due on borrowings	637.26	636.29
Payable towards Bond fully serviced by Govt. of India		
- Interest	4.49	4.49
Earnest Money Deposit/ Retention Money	316.40	247.44
Unpaid dividend (Refer Note 20.4.1)	22.99	24.64
Unpaid interest (Refer Note 20.4.1)	0.60	0.54
Payable for Late Payment Surcharge	0.83	-
Payable to Employees	38.25	27.15
Payable to Others	27.66	25.22
TOTAL	1,897.91	1,577.12

20.4.1 Unpaid Dividend" and "Unpaid Interest" include the amounts which have not been claimed by the investors/ holders of the equity shares/bonds. During the year, unpaid dividend of ₹ 3.68 crore (Previous Year ₹ 0.80 crore) has been paid to the Investor Education & Protection Fund (IEPF). There is no amount due for payment to Investor Education & Protection Fund. (Refer Note 9.3)

20.4.2 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 31 st March, 2023	As at 31 st March, 2022
Income received in advance (Advance against depreciation)	53.14	52.60
Deferred Income from Foreign Currency Fluctuation Account	1.42	1.42
Water usage charges Payable	243.82	103.42

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Statutory dues Payable	233.75	167.11
Contract Liabilities-Deposit Works	84.64	6.30
Contract Liabilities-Project Management/ Consultancy Work	106.79	112.54
Advance from Customers and Others	28.40	66.79
Grants in aid-from Government-Deferred Income (Refer Note No-19.1)	98.47	97.72
TOTAL	850.43	607.90

21.1 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of Balances.

NOTE NO. 22 CURRENT - PROVISIONS

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
A. PROVISION FOR EMPLOYEE BENEFITS		
i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)		
As per last Balance Sheet	1.92	1.09
Additions during the year	0.42	1.92
Amount used during the year	-	1.09
Closing Balance	2.34	1.92
ii) Provision for Wage Revision		
As per last Balance Sheet	0.08	0.22
Additions during the year	0.01	-
Amount used during the year	-	0.01
Amount reversed during the year	-	0.13
Closing Balance	0.09	0.08
iii) Provision for Performance Related Pay/Incentive		
As per last Balance Sheet	285.71	510.34
Additions during the year	263.16	240.43
Amount used during the year	239.40	422.15
Amount reversed during the year	28.16	42.91
Closing Balance	281.31	285.71
Less: Advance Paid	1.08	0.39
Closing Balance Net of Advance	280.23	285.32
B. OTHERS		
i) Provision For Tariff Adjustment		
As per last Balance Sheet	214.25	202.08
Additions during the year	69.16	85.31
Adjustment	-	22.71
Amount used during the year	135.06	89.61
Amount reversed during the year	-	6.24
Closing Balance	148.35	214.25
ii) Provision For Committed Capital Expenditure		
As per last Balance Sheet	122.26	145.23
Additions during the year	218.33	0.10
Amount used during the year	27.32	23.07
Amount reversed during the year	20.00	-
Closing Balance	293.27	122.26

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
iii) Provision for Restoration expenses of Insured Assets		
As per last Balance Sheet	85.17	148.18
Additions during the year	26.01	21.02
Amount used during the year	44.23	82.64
Amount reversed during the year	0.98	1.39
Closing Balance	65.97	85.17
iv) Provision For Livelihood Assistance		
As per last Balance Sheet	13.51	16.16
Additions during the year	0.90	0.17
Amount used during the year	2.89	2.87
Amount reversed during the year	0.04	-
Unwinding of discount	0.08	0.05
Closing Balance	11.56	13.51
v) Provision in respect of arbitration award/ court cases		
As per last Balance Sheet	347.54	384.83
Additions during the year	706.82	6.40
Amount used during the year	2.13	27.77
Amount reversed during the year	0.01	15.92
Closing Balance	1,052.22	347.54
vi) Provision - Others		
As per last Balance Sheet	270.69	277.34
Additions during the year	65.97	100.48
Adjustment	-	(22.71)
Amount used during the year	103.35	83.12
Amount reversed during the year	18.60	1.30
Closing Balance	214.71	270.69
TOTAL	2,068.74	1,340.74

22.1 Information about nature and purpose of Provisions is given in Note 34(22) of Consolidated Financial Statements.

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in Crore)

PARTICULARS	As at 31 st March, 2023	As at 31 st March, 2022
Current Tax Liability as per last Balance Sheet	845.26	716.90
Additions during the year	947.71	915.60
Less: MAT Credit Utilized during the year	-	70.34
Amount adjusted during the year	(836.75)	(716.90)
Closing Balance of Current Tax Liability (A)	956.22	845.26
Less: Current Advance Tax including Tax Deducted at Source (B)	989.96	834.04
Net Current Tax Liabilities (A-B)	(33.74)	11.22
(Disclosed under Note No-4)	33.74	3.34
TOTAL	-	14.56

NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in Crore)

PARTICULARS		For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Operating Revenue			
A SALES (Refer Note 24.1.1 and 24.1.3)			
Sale of Power		8,213.19	7,122.89
Advance Against Depreciation -Written back during the year		54.76	52.60
Performance based Incentive		1,126.24	836.04
Sub-Total (i)		9,394.19	8,011.53
Less :			
Sales adjustment on account of Foreign Exchange Rate Variation		32.47	44.02
Tariff Adjustments (Refer Note 24.1.2)		71.83	94.37
Income from generation of electricity-precommissioning (Transferred to Expenditure Attributable to Construction) (Refer Note 32)		45.72	53.81
Rebate to customers		34.00	30.12
Sub-Total (ii)		184.02	222.32
Sub - Total (A) = (i-ii)		9,210.17	7,789.21
B Income from Finance Lease (Refer Note 34(18(B))		841.83	865.51
C Income from Operating Lease (Refer Note 24.1.5 & 34(18(C))		392.41	384.07
D Revenue From Contracts, Project Management and Consultancy Works			
Contract Income		-	0.02
Revenue from Project management/ Consultancy works		29.77	22.90
Sub - Total (D)		29.77	22.92
E Revenue from Power Trading			
Trading Margin (Refer Note 24.1.4)		4.60	0.27
Sub - Total (E)		4.60	0.27
Sub-Total-I (A+B+C+D+E)		10,478.78	9,061.98
F Other Operating Revenue			
Income From Sale of Self Generated VRS/REC		-	52.70
Income on account of generation based incentive (GBI)		3.68	3.61
Interest from Beneficiary States- Revision of Tariff		124.94	25.91
Sub-Total-II		128.62	82.22
TOTAL (I+II)		10,607.40	9,144.20
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.		86.20	76.13
(ii) Earlier Year Sales		579.75	288.68
(iii) Electricity Duty & Energy Development Cess recoverable from beneficiary and accordingly billed to the beneficiary:			
- Electricity Duty		0.96	0.43
- Energy Development Cess		81.40	39.54
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.		71.83	94.37

(₹ in Crore)

PARTICULARS	For the Year ended	For the Year ended
	31 st March, 2023	31 st March, 2022
24.1.3 Amount of unbilled revenue included in Sales.	1,529.49	1,229.86
24.1.4 Trading Margin in respect of Power Trading Business :-		
(i) Sale of Power (Net of Rebate)	260.04	44.85
(ii) Purchase of Power (Net of Rebate)	(255.44)	(44.58)
Net Trading margin	4.60	0.27
24.1.5 Power Purchase Agreement (PPA) in respect of 50 MW Wind Power Project, Jaisalmer with Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) is pending for renewal/ extension w.e.f 01.04.2019. However, power is being supplied to the beneficiary, being a must run power plant. The matter regarding renewal/ extension of PPA is sub-judice in Hon'ble High Court of Rajasthan, Jaipur since tariff of ₹ 2.44 per kWh offered by the Rajasthan Renewable Energy Corporation Limited was not acceptable to the Company. Pending decision of the Hon'ble High Court, net revenue from sale of power from the plant w.e.f. 01.04.2019 is being recognized at the pooled cost of power determined by the Rajasthan Electricity Regulatory Commission (RERC) which is ₹ 3.14 per kWh.		

NOTE NO. 24.2 OTHER INCOME

(₹ in Crore)

PARTICULARS	For the Year ended	For the Year ended
	31 st March, 2023	31 st March, 2022
A Interest Income		
- Investments carried at FVTOCI- Non Taxable	5.66	5.67
- Investments carried at FVTOCI- Taxable	25.86	25.82
- Loan to Government of Arunachal Pradesh	72.26	66.30
- Deposit Account	176.89	128.44
- Employee's Loans and Advances (Net of Rebate)	31.05	32.66
- Advance to contractors	57.15	25.34
- Unwinding of Fair Value Loss on Financial Assets	63.86	-
- Others	5.83	1.41
B Dividend Income		
- Dividend - Others	6.96	9.00
C Other Non Operating Income (Net of Expenses directly attributable to such income)		
Late payment surcharge	65.57	271.91
Realization of Loss Due To Business Interruption (Refer Note 34(24))	42.14	161.86
Income from Insurance Claim	19.33	21.34
Liabilities/ Impairment Allowances/ Provisions not required written back (Refer Note 24.2.1)	32.18	46.01
Material Issued to contractor		
(i) Sale on account of material issued to contractors	258.04	255.19
(ii) Less: Cost of material issued to contractors on recoverable basis	(450.36)	(421.41)
(iii) Net: Adjustment on account of material issued to contractor	192.32	166.22
Amortization of Grant in Aid (Refer Note 19.1)	97.72	97.26
Exchange rate variation (Net)	0.48	49.28
Mark to Market Gain on Derivative	-	4.14
Others	41.71	48.33
Sub-total	744.65	994.77
Less: Transferred to Expenditure Attributable to Construction	66.23	30.09

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Less: Transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	0.83	0.45
Less: Transfer of other income to grant	0.09	0.17
TOTAL	677.50	964.06

24.2.1 Detail of Liabilities/Impairment Allowances/Provisions not required written back

a) Allowances for Obsolescence & Diminution in Value of Inventories	0.95	5.39
b) Allowances for trade receivables	-	2.38
c) Allowances for doubtful recoverable	1.04	0.18
d) Allowances for losses pending investigation/awaiting write off / sanction	0.04	0.21
e) Provision for PRP / Incentive /Productivity Linked Incentive	-	11.05
f) Provision for tariff adjustment	-	6.24
g) Provision for Restoration expenses of Insured Assets	0.98	1.39
h) Provision in respect of arbitration award/ court cases	-	15.68
i) Others	29.17	3.49
Total	32.18	46.01

NOTE NO. 25 GENERATION EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Water Usage Charges	916.77	823.21
Consumption of stores and spare parts	23.89	21.06
Sub-total	940.66	844.27
Less: Transferred to Expenditure Attributable to Construction	1.10	0.15
TOTAL	939.56	844.12

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Salaries and Wages	1,477.27	1,451.40
Contribution to provident and other funds (Refer Note 26.2 and 26.4)	250.88	316.89
Staff welfare expenses	112.00	111.95
Sub-total	1,840.15	1,880.24
Less: Transferred to Expenditure Attributable to Construction	404.87	325.48
TOTAL	1,435.28	1,554.76
26.1 Disclosure about leases towards residential accommodation for employees are given in Note 34 (18) (A) of Consolidated Financial Statements.		
26.2 Contribution to provident and other funds include contributions:		
i) Towards Employees Provident Fund	97.67	139.74
ii) Towards Employees Defined Contribution Superannuation Scheme	120.31	115.23
26.3 Salary and wages includes expenditure on short term leases as per IND AS-116 " Leases". (Refer Note 34(18A)) of Consolidated Financial Statements.	0.30	0.37

- 26.4** “The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952” requires the Company to reimburse the Provident Fund Trust in case of any any loss to the Trust. Contribution towards EPF includes ₹ 1.20 Crore (Previous year ₹ 12.76 Crore) being interest overdue on certain investments of the trust which has become impaired. Further, an amount of ₹ 36.24 Crore was paid to the trust during the previous year towards principal amount of these investments.
- 26.5** Employee benefit expenditure includes an amount of ₹ 9.37 Crore (Previous year ₹ 7.02 Crore) in respect of employees engaged in R&D Activities of the Company.

NOTE NO. 27 FINANCE COSTS

(₹ in Crore)

PARTICULARS		For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
A	Interest on Financial Liabilities at Amortized Cost		
	Bonds	1,208.19	1,289.19
	Term loan	348.26	51.66
	Foreign loan	18.78	23.47
	Government of India Loan	70.16	70.73
	Short Term Loan	2.82	5.40
	Lease Liabilities	3.37	1.46
	Unwinding of discount-Government of India Loan	73.39	55.22
	Sub-total	1,724.97	1,497.13
B	Other Borrowing Cost		
	Call spread/ Coupon Swap	44.49	43.91
	Bond issue/ service expenses	1.28	1.16
	Guarantee fee	10.34	11.62
	Other finance charges	1.40	0.66
	Unwinding of discount-Provision & Financial Liabilities	9.36	4.74
	Sub-total	66.87	62.09
C	Interest on Income Tax	1.13	2.91
	Total (A + B + C)	1,792.97	1,562.13
	Less: Transferred to Expenditure Attributable to Construction	1,318.71	1,029.85
	TOTAL	474.26	532.28

NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS		For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
	Depreciation -Property, Plant and Equipment	1,142.29	1,116.59
	Depreciation-Right of use Assets	90.54	83.32
	Amortization -Intangible Assets	3.62	4.71
	Depreciation adjustment on account of Foreign Exchange Rate Variation (Refer Note 19 and 5(D)(iii))	8.81	4.95
	Sub-total	1,245.26	1,209.57
	Less: Transferred to Expenditure Attributable to Construction	30.59	19.27
	TOTAL	1,214.67	1,190.30

NOTE NO. 29 OTHER EXPENSES

(₹ in Crore)

PARTICULARS		For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
A	REPAIRS AND MAINTENANCE		
	- Building	90.71	80.19
	- Machinery	96.29	71.35
	- Others	193.81	192.06
B	OTHER EXPENSES		
	Rent (Refer Note 29.2)	15.11	17.43
	Hire Charges	53.59	36.83
	Rates and taxes	101.29	61.89
	Insurance	278.64	278.61
	Security expenses	471.83	434.53
	Electricity Charges	58.28	51.83
	Travelling and Conveyance	24.09	14.62
	Expenses on vehicles	8.52	6.84
	Telephone, telex and Postage	19.21	16.53
	Advertisement and publicity	11.06	4.54
	Entertainment and hospitality expenses	1.33	0.98
	Printing and stationery	4.80	4.44
	Consultancy charges - Indigenous	27.07	16.96
	Audit expenses	2.81	2.30
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	0.67	14.43
	Expenses on downstream protection works (Refer Note 29.4)	44.43	158.50
	Expenditure on land not belonging to Company	54.10	14.76
	Loss on Assets (Net)	2.14	13.90
	Losses out of insurance claims	33.83	21.77
	Donations	2.00	1.00
	Corporate Social Responsibility	147.99	125.35
	Community Development Expenses	0.03	-
	Directors' Sitting Fees	0.52	0.18
	Interest on Arbitration/ Court Cases	0.44	0.65
	Interest to beneficiary	48.55	53.30
	Expenditure on Self Generated VER's/REC	-	8.04
	Training Expenses	10.20	4.50
	Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/IEIX/ PXIL	11.58	10.52
	Operational/Running Expenses of Kendriya Vidyalaya	8.71	8.65
	Operational/Running Expenses of Other Schools	0.40	0.35
	Operational/Running Expenses of Guest House/Transit Hostel	28.72	24.76
	Operating Expenses of DG Set-Other than Residential	8.54	7.27
	Fair Value Loss on Financial Assets	138.06	-
	Change in Fair Value of Derivatives	30.86	-
	Other general expenses	57.51	88.31
	Sub-total	2,087.72	1,848.17
	Less: Transferred to Expenditure Attributable to Construction	305.73	318.71
	Less: Recoverable from Deposit Works	0.13	-
	Sub-total (i)	1,781.86	1,529.46
C	PROVISIONS/ IMPAIRMENT ALLOWANCE		
	Loss allowance for trade receivables	0.04	3.95

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Allowance for Bad and doubtful advances / deposits	0.01	10.11
Allowance for Bad and doubtful claims	5.68	5.94
Allowance for Bad and Doubtful Loan	18.40	-
Allowance for Doubtful Interest	-	0.42
Allowance for stores and spares/ Construction stores	0.32	0.61
Allowance for Project expenses / Capital Work In Progress	158.15	7.47
Allowance for losses pending investigation/ awaiting write off/ sanction	-	0.03
Others	39.64	31.09
Sub-total	222.24	59.62
Less: Transferred to Expenditure Attributable to Construction	39.65	31.11
Sub-total (ii)	182.59	28.51
TOTAL (i+ii)	1,964.45	1,557.97

29.1 Disclosure about leases are given in Note 34(18A) of Consolidated Financial Statements.

29.2 Rent includes the following expenditure as per IND AS-116 "Leases"

:

(i) Expenditure on short-term leases other than lease term of one month or less

(ii) Variable lease payments not included in the measurement of lease liabilities

29.3 Other Expenses includes an amount of ₹ 1.93 Crore (Previous year ₹ 3.05 Crore) incurred on R&D Activities of the Company.

29.4 Expense of ₹ 44.43 Crore (Previous year ₹ 158.50 Crore) on Downstream Protection works incurred in Subansiri Lower Project has been capitalized by way of Expenditure Attributable to Construction (EAC) (**Refer Note 2.2.7**).

NOTE NO. 30.1 TAX EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Current Tax		
Provision for Current Tax	946.87	912.69
Adjustment relating To earlier years	0.13	3.00
Total Current Tax expenses (i)	947.00	915.69
Deferred Tax		
Decrease (increase) in Deferred Tax Assets		
- Relating to origination and reversal of temporary differences	(50.99)	(43.31)
- Adjustments on account of MAT credit entitlement	100.61	(1,478.62)
Increase (decrease) in Deferred Tax Liabilities		
- Relating to origination and reversal of temporary differences	8.73	57.80
- Relating to undisistributed Earnings	(29.11)	(8.54)
Total Deferred Tax Expenses (benefits)	29.24	(1,472.67)
Net Deferred Tax (ii)	29.24	(1,472.67)
TOTAL (i + ii)	976.24	(556.98)
30.1.1 Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance	4,894.19	4,471.23
Applicable tax rate (%)	34.9440	34.9440
Computed tax expense	1,710.23	1,562.43

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
Non Deductible Tax Expenses	103.34	67.27
Tax Exempt Income	183.56	100.30
Tax Incentives (80-IA Deductions)	-	(658.62)
Adjustment for current tax of earlier years	1.99	3.00
Minimum Alternate Tax Adjustments	(345.69)	(1,478.62)
Undistributed Profit	(29.11)	(8.54)
Deduction u/s 80M	(610.55)	(130.10)
Others	(37.53)	(14.10)
Income tax expense reported in Statement of Profit and Loss	976.24	(556.98)

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
Nil	Nil
Nil	Nil

30.1.3 Tax losses and credits

(i) Unused tax losses for which no deferred tax asset has been recognised

Potential tax benefit @ 30%

(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)**

Nil	Nil
Nil	Nil
528.65	945.96

30.1.4 Unrecognised temporary differences

Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised.

Undistributed Earnings

Unrecognised deferred tax liabilities relating to the above temporary differences

Nil	Nil
Nil	Nil

30.1.5 The details of Deferred Tax Assets in the nature of Minimum Alternate Tax (MAT) Credit available to the Company in future but not recognised in the Books of Accounts

	As at 31 st March 2023		As at 31 st March 2022	
	Amount	Year of Expiry	Amount	Year of Expiry
2014-15	46.81	2029-30	46.81	2029-30
2013-14	481.84	2028-29	481.84	2028-29
2012-13	-	-	291.72	2027-28
2008-09	-	-	125.59	2023-24
TOTAL	528.65		945.96	

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 31 st March, 2023	For the Year ended 31 st March, 2022
(i) Items that will not be reclassified to profit or loss		
(a) Remeasurement of post employment defined benefit obligations	(7.48)	12.73
Less: Income Tax on remeasurement of post employment defined benefit obligations	(2.61)	4.45
Remeasurement of the post employment defined benefit obligations (net of Tax)	(4.87)	8.28
Less:- Movement in Regulatory Deferral Account Balances in respect of Tax on defined benefit obligations	(1.87)	(3.07)
Movement in Regulatory Deferral Account Balances- Remeasurement of post employment defined benefit obligations	6.49	2.33
Remeasurement of the post employment defined benefit obligations (net of Tax) and Regulatory Deferral Account balances	3.49	13.68
Share of Other comprehensive Income of Joint Ventures accounted for using the equity method	-	-
Sub-total (a)	3.49	13.68
(b) Investment in Equity Instruments	3.36	5.40
Less: Income Tax on Equity Instruments	-	-
Sub-total (b)	3.36	5.40
Total (i)=(a)+(b)	6.85	19.08
(ii) Items that will be reclassified to profit or loss		
Investment in Debt Instruments	(15.46)	(10.72)
Less: Income Tax on investment in Debt Instruments	(3.60)	(2.50)
Total (ii)	(11.86)	(8.22)
TOTAL =(i+ii)	(5.01)	10.86

NOTE NO. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in Crore)

PARTICULARS	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
(i) Wage Revision as per 3rd Pay Revision Committee	(501.90)	(116.53)
(ii) Kishanganga Power Station:-Depreciation due to moderation of Tariff	199.36	198.35
(iii) Exchange Differences on Monetary Items	1.23	(0.17)
(iv) Adjustment against Deferred Tax Recoverable for tariff period upto 2009	(56.09)	(49.52)
(v) Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards	(215.98)	10.72
(vi) Regulatory liability on account of recognition of MAT Credit	532.77	(1,252.94)
Total (i)+(ii)+(iii)+(iv)+(v)+(vi)	(40.61)	(1,210.09)
Impact of Tax on Regulatory Deferral Accounts		
Less: Deferred Tax on Regulatory Deferral Account Balances	151.86	13.56
Add: Deferred Tax recoverable from Beneficiaries	151.86	13.56
TOTAL	(40.61)	(1,210.09)

31.1 Refer Note 14.1 and 14.2 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 31 st March, 2023	For the Year ended 31 st March, 2022
A. GENERATION EXPENSE			
Consumption of stores and spare parts		1.10	0.15
Sub-total		1.10	0.15
B. EMPLOYEE BENEFITS EXPENSE			
Salaries and Wages		248.50	182.09
Contribution to provident and other funds		35.28	26.74
Staff welfare expenses		14.44	8.52
Sub-total		298.22	217.35
C. FINANCE COST			
Interest on : (Refer Note 2.2.2)			
Bonds		903.86	950.35
Foreign loan		6.43	7.65
Term loan		336.21	25.41
Lease Liabilities		0.17	0.23
Sub-total		1,246.67	983.64
Loss on Hedging Transactions		44.50	43.91
Guarantee fee on loan		4.07	0.03
Other finance charges		0.65	-
Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest		13.91	-
Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest		8.69	2.07
Sub-total		71.82	46.01
D. DEPRECIATION AND AMORTISATION EXPENSES		27.80	16.55
Sub-total		27.80	16.55
E. OTHER EXPENSES			
Repairs And Maintenance :			
-Building		12.54	11.40
-Machinery		1.83	2.09
-Others		32.69	28.66
Rent & Hire Charges		19.72	11.60
Rates and taxes		4.57	2.89
Insurance		32.01	12.85
Security expenses		38.84	31.71
Electricity Charges		7.29	4.80
Travelling and Conveyance		4.34	2.75
Expenses on vehicles		1.95	0.86
Telephone, telex and Postage		4.11	2.35
Printing and stationery		0.81	0.65
Design and Consultancy charges:			
- Indigenous		12.66	7.79
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses		0.50	14.38
Expenses on works of downstream protection works (Refer Note 29.4)		44.43	158.50
Expenditure on land not belonging to company		53.75	1.08

(₹ in Crore)

PARTICULARS		For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Assets/ Claims written off		0.08	0.11
Losses on sale of assets		0.03	0.04
Other general expenses		21.80	14.34
Sub-total		293.95	308.85
F. PROVISIONS		39.65	31.11
Sub-total		39.65	31.11
G. CORPORATE OFFICE/REGIONAL OFFICE EXPENSES			
Other Income		(0.28)	(0.55)
Other Expenses		11.78	9.86
Employee Benefits Expense		106.65	108.13
Depreciation and Amortization Expenses		2.79	2.72
Finance Cost		0.22	0.20
Sub-total		121.16	120.36
H. LESS: RECEIPTS AND RECOVERIES			
Income from generation of electricity – precommissioning		45.72	53.81
Interest on loans and advances		57.14	25.07
Profit on sale of assets		0.04	-
Provision/Liability not required written back		0.96	0.44
Miscellaneous receipts		6.23	3.40
Transfer of fair value gain to EAC- security deposit		1.58	0.63
Sub-total		111.67	83.35
TOTAL (A+B+C+D+E+F+G-H) (Refer Note 2.2)		1,988.70	1,640.67

NOTE-33: DISCLOSURE ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(1) Fair Value Measurement

A) Financial Instruments by category

A) Financial Instruments by category		(₹ in Crore)						
Financial assets	Notes	As at 31 st March, 2023			As at 31 st March, 2022			Amortised Cost
		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		
Non-current Financial assets								
(i) Non-current investments								
a) In Equity Instrument (Quoted)	3.1	-	102.06	-	-	98.70	-	
b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted	3.1	-	245.16	-	-	411.64	-	
Sub-total			347.22	-		510.34	-	
(ii) Trade Receivables	3.2			473.51	-	-	-	17.48
(iii) Loans								
a) Loans to Joint Venture (National High Power Test Laboratory (P) Limited)	3.3			-				223.70
b) Employees	3.3			243.02				802.92
c) Loan to Government of Arunachal Pradesh (Including interest accrued)	3.3			875.18				
(iv) Others								
a) Deposits	3.4			28.76			25.16	
b) Lease Receivables including interest	3.4			5,877.99			6,086.51	
c) Recoverable on account of Bonds fully Serviced by Government of India	3.4			2,017.20			2,017.20	
d) Derivative MTM Asset	3.4	0.24			22.35			
e) Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4			683.49			1,227.68	
f) Receivable on account of Late Payment Surcharge/ Others	3.4			6.42			10.38	
Total Non-current Financial assets		0.24	347.22	10,205.57	22.35	510.34	10,411.03	
Current Financial assets								
(i) Current Investments	7.1		151.35	-			-	
(ii) Trade Receivables	7.2			6,160.59			5,175.84	
(iii) Cash and cash equivalents	8			1,019.81			1,314.67	
(iv) Bank balances other than Cash and Cash Equivalents	9			1,673.87			643.68	

(₹ in Crore)

Financial assets	Notes	As at 31 st March, 2023			As at 31 st March, 2022		
		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
(v) Loans	10						
a) Employee Loans		-	-	60.77	-	-	60.12
b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) (Net of Impairment Allowances)		-	-	-	-	-	0.92
c) Deposits	11	-	-	1.10	-	-	0.36
(vi) Others (Excluding Lease Receivables)	11			658.93	-	-	682.09
(vii) Others (Lease Receivables including interest)	11	-	-	283.14	-	-	219.57
Total Current Financial Assets		-	151.35	9,858.21	-	-	8,097.25
Total Financial Assets		0.24	498.57	20,063.78	22.35	510.34	18,508.28

(₹ in Crore)

Financial Liabilities	Notes	As at 31 st March, 2023			As at 31 st March, 2022		
		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	-	-	26,602.24	-	-	23,226.61
(ii) Long term maturities of lease liabilities	16.2	-	-	47.18	-	-	17.46
(iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	8.76	-	2,190.02	-	-	2,098.97
(iv) Borrowing -Short Term including current maturities of long term borrowings	20.1	-	-	2,885.65	-	-	2,848.76
(v) Current maturities of lease obligations	20.2	-	-	4.77	-	-	3.12
(vi) Trade Payables including Micro, Small and Medium Enterprises	20.3	-	-	234.82	-	-	214.11
(vii) Other Current financial liabilities		-	-	-	-	-	-
c) Interest Accrued but not due on borrowings	20.4	-	-	637.26	-	-	636.29
d) Other Current Liabilities	20.4	-	-	1,260.65	-	-	940.83
Total Financial Liabilities		8.76	-	33,862.59	-	-	29,986.15

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 lower than market rates of interest.

(a) Financial Assets/Liabilities Measured at Fair Value-Recurring Fair Value Measurement:

		As at 31 st March, 2023			As at 31 st March, 2022		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI							
(i) Investments-							
- In Equity Instrument (Quoted)	3.1	102.06			98.70		
- In Debt Instruments (Government/ Public Sector Undertaking)- Quoted *	3.1 & 7.1	396.51			411.64		
Financial Assets at FVTPL :							
(i) Derivative MTM Asset (Call spread option and Coupon only swap)	3.4		0.24	-		22.35	-
Total Financial Assets		498.57	0.24	-	510.34	22.35	-
Financial Liabilities at FVTPL :							
(i) Derivative MTM Liabilities (Call spread option)	16.3		8.76				
Total Financial Liabilities			8.76				

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:

Particulars	Note No.	As at 31 st March, 2023			As at 31 st March, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
		(₹ in Crore)					
Financial assets							
(i) Trade Receivables	3.2		-	473.51		-	
(ii) Loans							
a) Employees (including Current)	3.3 & 10		304.11			284.39	
b) Loan to Joint Venture (National High Power Test Laboratory (P) Limited)	3.3		-			17.48	
c) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3		875.18			802.92	
(iii) Others							
a) Deposits	3.4			28.76			25.16
b) Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4		683.49			1,227.68	
c) Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20			2,017.20		
d) Recoverable on account of Late Payment Surcharge / Others	3.4			6.42			10.38
Total Financial Assets		2,017.20	1,862.78	508.69	2,017.20	2,332.47	35.54
Financial Liabilities							
(i) Long-term borrowings including current maturities and accrued interest	16.1, 20.1 & 20.4	19,083.09	2,207.18	2,881.38	19,083.09	2,207.18	2,881.38
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	2,017.20		175.09	2,017.20		87.87
Total Financial Liabilities		21,100.29	2,207.18	3,056.47	21,100.29	2,207.18	2,969.25

(c) Fair value of Financial Assets and liabilities measured at Amortised Cost

(₹ in Crore)					
Particulars	Note No.	As at 31 st March, 2023		As at 31 st March, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
(i) Trade Receivables	3.2	473.51	473.51	-	-
(ii) Loans					
a) Employees (including Current)	3.3 & 10	303.79	304.11	283.82	284.39
b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited)	3.3	-	-	17.48	17.48
c) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3	875.18	875.18	802.92	802.92
(iii) Others					
a) Deposits	3.4	28.76	28.76	25.16	25.16
b) Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4	683.49	683.49	1,227.68	1,227.68
c) 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
d) Recoverable on account of Late Payment Surcharge / Others	3.4	6.42	6.42	10.38	10.38
Total Financial Assets		4,388.35	4,388.67	4,384.64	4,385.21
Financial Liabilities					
(i) Long-term borrowings including Current maturities and accrued interest	16.1, 20.1 & 20.4	29,177.11	27,980.38	25,387.76	25,144.25
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	2,190.02	2,192.29	2,098.97	2,105.07
Total Financial Liabilities		31,367.13	30,172.67	27,486.73	27,249.32

Note:-

- 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.
- 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

- 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.
- 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.
- 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. These are summarised below:

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.	Ageing 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 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 of 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 of 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 of 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. Further, the Group also hedges its medium-term foreign currency borrowings by way of interest rate hedge and currency swaps.

(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. In the case of the Group, the concentration of risk with respect to trade receivables is low, as its customers are mainly state government companies/DISCOMS and operate in largely independent markets. Unbilled revenue primarily relates to the Group's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as trade receivables for the same type of contracts.

Lease receivables of the Group are with regard to Power Purchase Agreements classified as finance lease as per Ind AS 116- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

Financial assets at amortised cost :-

Employee Loans: The Group has given loans to employees at concessional rates as per the 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. Long Term loans for acquisition of assets 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 Arunachal Pradesh : The Group has given loan to Government of Arunachal Pradesh at 9% rate of interest (compounded annually) 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 and 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 banks with which balances and deposits are maintained. Generally, the balances are maintained with 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 to 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 is as under:

(₹ in Crore)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments (Other than Subsidiaries and Joint Ventures)	347.22	510.34
Loans -Non Current (including interest)	1,146.96	1,069.26
Other Non Current Financial Assets	2,700.69	3,244.88
Current Investments	151.35	-
Cash and cash equivalents	1,019.81	1,314.67
Bank balances other than Cash and Cash Equivalents	1,673.87	643.68
Loans -Current	61.87	61.40
Other Financial Assets (Excluding Lease Receivables)	658.93	682.09
Total (A)	7,760.70	7,526.32

(₹ in Crore)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	6,160.59	5,175.84
Lease Receivables (Including Interest)	6,161.13	6,306.08
Total (B)	12,321.72	11,481.92
TOTAL (A+B)	20,082.42	19,008.24

(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 there is no significant possibility of recovery of receivables after considering all available options for recovery as per assessment of the management. 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. Government of India has approved the extension of these TPAs for another period of 10 years and the same has been signed by most of the States. As per the provisions of the TPA and Power Purchase Agreements (PPA), the customers are required to open LCs covering 105% of the average monthly billing of the Group for last 12 months. The TPA also provides 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. Also, Electricity (Late Payment Surcharge & Related Matters) Rules, 2022 provides for regulation of power by the Group in a gradual manner in case of non-payment of dues beyond 30 days of the due date, i.e. when payment is not made by any beneficiary even after 75 days (being due period of 45 days plus 30 days) from the date of presentation of the bill.

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 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-realization 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 1.4.2021	33.76	275.18	0.01	308.95
Changes in Loss Allowances	1.57	7.47	0.42	9.46
Balance as at 1.4.2022	35.33	282.65	0.43	318.41
Changes in Loss Allowances	0.04	4.52	18.40	22.96
Balance as at 31.3.2023	35.37	287.17	18.83	341.37

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)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
At Floating Rate	925.00	1,425.00
Total	925.00	1,425.00

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 31 st March, 2023 (₹ in Crore)						
Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.3.2023	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	29,147.17	2,885.65	5,524.60	6,092.28	14,644.64
Lease Liabilities	16.2 & 20.2	75.98	4.78	9.65	3.31	58.24
Other financial Liabilities	16.3 & 20.4	4,134.32	1,916.13	60.62	35.05	2,122.52
Trade Payables	20.3	234.82	234.82	-	-	-
Total Financial Liabilities		33,592.29	5,041.38	5,594.87	6,130.64	16,825.40
As at 31 st March, 2022 (₹ in Crore)						
Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2022	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	27,080.92	2,848.76	4,337.53	5,321.14	14,573.49
Lease obligations	16.2 & 20.2	30.86	3.12	7.51	4.14	16.09
Other financial Liabilities	16.3 & 20.4	3,701.41	1,581.51	15.05	18.15	2,086.70
Trade Payables	20.3	214.11	214.11	-	-	-
Total Financial Liabilities		31,027.30	4,647.50	4,360.09	5,343.43	16,676.28

(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 31 st March, 2023		As at 31 st March, 2022	
	weighted average interest rate (%)	(₹ in Crore)	weighted average interest rate (%)	(₹ in Crore)
Floating Rate Borrowings (INR)	8.26	6,403.12	5.64	3,510.01
Fixed Rate Borrowings (INR)	7.80	19,417.76	7.87	19,705.49
Fixed Rate Borrowings (FC)	1.35	1,371.42	1.38	1,475.97
Total		27,192.30		24,691.48

a) 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/decrease in interest rates, as the same is recoverable from beneficiaries through tariff.

(b) Interest Rate Benchmark reform rate:

During the previous year, the Company has transitioned the outstanding Foreign Currency (JPY) Loan amounting to ₹ 688.75 Crore repayable in one instalment bullet on 25.07.2024 from floating rate of 6 month (LIBOR+ 0.75 %) to Compounded Reference Rate (i.e. TONA+CAS) +0.75%.

Contractual terms of the Company's bank borrowings stands amended as a direct consequence of the change in interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change.

The Company has opted for the practical expedient in Ind AS 109 i.e. Changes to cash flow flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

The total outstanding amount of exposure that is directly affected by the Interest rate benchmark reform (IBOR) is ₹ 688.75 Crore. Further, the total amount of exposure on account of principal and Interest is hedged by derivative instruments.

Accordingly, there is no material impact on the Statement of Profit and Loss of the Company due to interest rate benchmark reforms.

(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 current/ non-current investment in Balance Sheet.

At a reporting date, the exposure to equity and debt instruments are as under:-

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	% change	Impact on other components of equity (₹ in Crore)	% change	Impact on other components of equity (₹ in Crore)
Equity Instruments		102.06		98.70
Debt Instruments		396.51		411.64

(b) Price Risk Sensitivity

For Investment in Equity Instruments (Investment in equity shares of 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 31 st March, 2023		As at 31 st March, 2022	
	% change	Impact on other components of equity (₹ in Crore)	% change	Impact on other components of equity (₹ in Crore)
Investment in Equity shares of:				
PTC India Ltd	18.39	18.77	8.62	8.50

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 31 st March, 2023		As at 31 st March, 2022	
	% change	Impact on other components of equity (₹ in Crore)	% change	Impact on other components of equity (₹ in Crore)
Government Securities	0.03	0.09	0.61	2.01
Public Sector Undertaking Tax Free Bonds	0.89	0.73	1.42	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 31 st March, 2023	As at 31 st March, 2022
Financial Liabilities:		
Foreign Currency Loans		
Japan International Corporation LTD (JPY)	698.18	801.97
MUFG BANK (JPY)	673.24	674.00
Other Financial Liabilities	39.61	49.77
Net Exposure to foreign currency (liabilities)	1,411.03	1,525.74

Out of the above, loan from MUFG bank is hedged through call spread, option and coupon only swap. For balance exposure gain/(loss) on account of exchange variation is recoverable from beneficiaries as per Tariff Regulation 2019-24. Therefore, currency risk in respect of such exposure would not be 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. 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 31 st March, 2023	As at 31 st March, 2022
(a) Total Debt (₹ in Crore)	31,557.04	28,113.15
(b) Total Equity Attributable to Owners of the Company (₹ in Crore)	36,899.34	34,920.98
Gearing Ratio (a/b)	0.86	0.81

Note: For the purpose of the Group's capital management, capital includes issued capital and reserves. Total debt includes Long term debts and Lease Liabilities including current maturities thereof, Short term Borrowings and Payable towards Bonds fully serviced by Government of India.

(b) Loan Covenants:

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

1. Maintain AAA credit rating 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 Group has complied with the above loan covenants.

(c) Dividends:

(₹ in Crore)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
(i) Equity Shares		
Final dividend for the year 2021-22 of INR 0.50 per fully paid share approved in Aug-2022 and paid in Sep-2022. (31 st March 2021- INR 0.35 fully paid share for FY 2020-21).	502.25	351.58
Interim dividend for the year ended 31 st March 2023 of INR 1.40 (31 st March 2022- INR 1.31) per fully paid share.	1,406.31	1,315.90
(ii) Dividend not recognised at the end of the reporting year		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.45 (31 st March 2022- INR 0.50) per fully paid up Shares . The proposed dividend is subject to the approval of shareholders in the ensuring AGM.	452.03	502.25

Note No. – 34: Other Explanatory Notes to Accounts

1. The Subsidiary Companies and Joint Venture Companies considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	Proportion (%) of Ownership Interest	
		31.03.2023	31.03.2022
A. Subsidiary Companies			
NHDC Limited	India	51.08%	51.08%
Loktak Downstream Hydroelectric Corporation Limited (LDHCL)	India	74.82%	74.83%
Bundelkhand Saur Urja Limited (BSUL)	India	86.94%	86.67%
Lanco Teesta Hydro Power Limited (LTHPL) (Refer Note 1.1 of Note 34)	India	100.00%	100.00%
Jalpower Corporation Limited (JPCL) (Refer Note 1.2 of Note 34)	India	100.00%	100.00%
Ratle Hydroelectric Power Corporation Limited (w.e.f. 01.06.2021) (RHPCL)	India	51.00%	73.53%
NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022 (Refer Note 1.3 of Note 34)	India	100.00%	-
Chenab Valley Power Projects (P) Limited (CVPPPL) (w.e.f 21.11.2022) (Refer Note 1.4 of Note 34)	India	52.74%	-
B. Joint Venture Companies			
Chenab Valley Power Projects (P) Limited (CVPPPL) (till 20.11.2022)	India	-	55.13%
National High Power Test Laboratory Private Limited (NHPTL) (Refer Note 1.5 of Note 34)	India	20.00%	20.00%

- 1.1** The Board of Directors of the Company in its meeting held on December 7, 2021 has approved the merger/amalgamation of Lanco Teesta Hydro Power Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited under Section 230-232 of the Companies Act, 2013 and other statutory provisions as per the terms and conditions mentioned in the Scheme of Amalgamation (Scheme). Application for approval of the "Scheme of Merger/Amalgamation of Lanco Teesta Hydro Power Limited (LTHPL) with NHPC Limited" has been filed before the Ministry of Corporate Affairs (MCA) on August 10, 2022 after receiving consent from the Government of India. Further to the same, MCA has issued certain directions and the Company is in the process of compliance of these directions.
- 1.2.** The Board of Directors of the Company in its meeting held on September 24, 2021 has approved the proposal to initiate the process of merger of Jalpower Corporation Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited as per applicable provisions of the Companies Act, 2013. Approval of the Ministry of Power, Government of India has been conveyed on 26th April, 2023. Application for approval of the Scheme of Merger/Amalgamation shall be filed before the Ministry of Corporate Affairs (MCA) in due course.
- 1.3.** Holding Company had incorporated a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. NREL has prepared its first Financial Statements during the current financial year from its date of incorporation. There was no asset/liability as at 31.03.2022 and no Income/Expenditure for the period started from date of Incorporation to 31st March 2022.
- 1.4.** During FY 2021-22, the Company had acquired 2% equity of PTC India Limited (PTC) in Chenab Valley Power Projects Private Limited (A Joint Venture Company between NHPC (49%), Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) (49%) and PTC (2%)). Subsequent to this, shareholding of NHPC had crossed 50%. However pending modification in the Promoter's Agreement, during FY 2021-22, CVPPPL was accounted for as a Joint Venture owing to control being exercised jointly with the other joint venturer (JKSPDCL) in terms of the Joint Venture agreement. During FY 2022-23, the Supplementary Promoters' Agreement of Chenab Valley Power Projects Private Ltd. (CVPPPL) has been signed between NHPC and JKSPDCL on 21.11.2022. As per the said agreement, NHPC has majority representation on the Board of CVPPPL and has gained control over CVPPPL from that date. Accordingly, this date has been considered as the date of acquisition under Ind AS 103 "Business Combinations". Status of CVPPPL has changed from a Joint Venture to a Subsidiary Company w.e.f. 21.11.2022.

- 1.5 The financial statements are unaudited. The figures appearing in financial statements may change on completion of its audit.

2. Disclosures relating to Contingent Liabilities:

Contingent Liabilities to the extent not provided for –

a) Claims against the Group not acknowledged as debts in respect of:

(i) Capital works

Contractors have lodged claims aggregating to ₹ **10258.26 Crore** (Previous year ₹ **10482.29 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 ₹ **6442.57 Crore** (Previous year ₹ **6281.87 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 ₹ **1125.34 Crore** (Previous year ₹ **418.63 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **8835.67 Crore** (Previous year ₹ **9787.51 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 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 ₹ **523.72 Crore** (Previous year ₹ **554.17 Crore**) before various authorities/ Courts. Pending settlement, the Group has assessed and provided an amount of ₹ **31.11 Crore** (Previous year ₹ **59.63 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **492.61 Crore** (Previous year ₹ **494.54 Crore**) as the amount of contingent liability as outflow of resources is considered not probable.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/Goods & Services Tax/ Water Cess/ Green Energy Cess /other taxes/duties matters pending before various appellate authorities amount to ₹ **2064.15 Crore** (Previous year ₹ **1905.83 Crore**). Pending settlement, the Group has assessed and provided an amount of ₹ **17.52 Crore** (Previous year ₹ **17.52 Crore**) based on probability of outflow of resources embodying economic benefits and ₹ **856.98 Crore** (Previous year ₹ **704.40 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 remote.

(iv) Others

Claims on account of other miscellaneous matters amount to ₹ **917.39 Crore** (Previous year ₹ **772.20 Crore**). These claims are pending before various forums. Pending settlement, the Group has assessed and provided an amount of ₹ **102.16 Crore** (Previous year ₹ **102.24 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **806.67 Crore** (Previous year ₹ **660.62 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 remote.

The above is summarized as below:

(₹ in Crore)

Sl. No.	Particulars	Claims as on 31.03.2023	up to date Provision against the claims	Contingent liability as on 31.03.2023	Contingent liability as on 31.03.2022	Addition to (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2022
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	10258.26	1125.34	8835.67	9787.51	(951.84)	1809.61

(₹ in Crore)

Sl. No.	Particulars	Claims as on 31.03.2023	up to date Provision against the claims	Contingent liability as on 31.03.2023	Contingent liability as on 31.03.2022	Addition to (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2022
2.	Land Compensation cases	523.72	31.11	492.61	494.54	(1.93)	18.09
3.	Disputed tax matters	2064.15	17.52	856.98	704.40	152.58	1.09
4.	Others	917.39	102.16	806.67	660.62	146.05	27.50
	Total	13763.52	1276.13	10991.93	11647.07	(655.14)	1856.29

- (b) The above do not include contingent liabilities on account of pending cases in respect of service matters relating to employees (including ex-employees) 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 ₹ **502.25 Crore** (Previous year ₹ **462.67 Crore**) towards above Contingent Liabilities.
- (e) (i) An amount of ₹ **1231.31 Crore** (Previous year ₹ **1140.40 Crore**) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/ being challenged by the Group in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also refer Note No. 5).
- (ii) An amount of ₹ **1663.97 Crore** (Previous year ₹ **1657.55 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.
- (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.

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 ₹ **1401.48 Crore** (Previous year ₹ **1067.90 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 ₹ **36.13 Crore** (Previous year ₹ **26.74 Crore**) towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ **1106.28 Crore** (Previous year ₹ **828.50 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 beneficiaries, an amount of ₹ **23.76 Crore** (previous year ₹ **25.61 Crore**) as estimated by the management has not been recognised.

c) Revenue to the extent not recognised in respect of power stations:

Tariff orders on account of petition fee for 2019-24 are pending in respect of twelve Power stations. Management has assessed that additional revenue of ₹ **5.69 Crore** (Previous year ₹ **7.26 Crore**) is likely to accrue 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 ₹ **128.97 Crore** (Previous Year ₹ **192.71 Crore**) in this respect which have not been recognised. Power Station-wise details of claims are given at Note 34(24) of the Consolidated Financial Statements.

e) Other Cases

Claims on account of other miscellaneous matters comprising of interest on amounts deposited as per NITI Aayog directions/ Court Orders in respect of cases pending in Court, liquidated damages, dues from ex- employees etc. estimated by Management to be ₹ **1175.75 Crore** (Previous year ₹ **933.28 Crore**) have 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 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	22,065.91	9203.58
2.	Intangible Assets	29.68	33.09
	Total	22,095.59	9236.67

(b) The Holding Company has commitments of ₹ **NIL Crore** (Previous year ₹ **762.19 Crore**) towards further investment in the Joint Venture Companies as at 31st March, 2023.

5. Commitments regarding Corporate Guarantee issued by the Holding Company:

Corporate Guarantee Given to	Guarantee Given in favour of	Total Commitment (including outstanding interest as at)	Exposure of the Holding Company from the Commitment as at		Guarantee fee charged by the Company	Purpose
			31.03.2023	31.03.2023		
		(₹ in Crore)				(in %)
Bundelkhand Saur Urja Limited (BSUL)	HDFC Bank in support of credit facility to BSUL	213.25	134.01	60.19	1.20%	For meeting CAPEX Requirement
Jalpower Corporation Limited (JPCL)	J&K Bank in support of credit facility to JPCL	313.00	280.00	-	1.20%	For meeting CAPEX Requirement
Lanco Teesta Hydro Power Limited (LTHPL)	J&K Bank and Bank of Baroda in support of credit facility to LTHPL	553.58	553.58	-	1.20%	For meeting CAPEX Requirement

6. Disclosures as per IND AS 115 'Revenue from contracts with customers':

(A) Nature of goods and services

Revenue of the Group comprises of income from sale of power, trading of power, consultancy and other services. The following is a description of the principal activities:

(a) Revenue from sale of power

The major revenue of the Group comes from sale of power/electricity. The Group sells power to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of power 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 sale of power 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 in case of Hydro Power Stations and 25 years in case of Renewable Energy Projects. 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. The amounts are billed as per the terms of Power Purchase Agreements (PPA) and are payable as per Terms of PPA.

(b) Project Management / Construction Contracts/ Consultancy assignments (Projects and Consultancies)

The Group 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 Group recognises revenue from contracts for consultancy services over time as 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 Company 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 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 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. Revenue from the scheme is determined as per terms of contract. The amounts are billed as per the terms of contract and are payable within contractually agreed credit period.

(c) Trading of Power

The Group purchases power from Generating Companies and sells it to 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. 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 as revenue from Finance and Operating Leases)		Project Management / Construction Contracts/ Consultancy assignments		Trading of Power		Others		Total	
Geographical markets	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
India	10,444.41	9,038.79	29.50	22.33	4.60	0.27	128.62	82.22	10,607.13	9,143.61
Others	-	-	0.27	0.59	-	-	-	-	0.27	0.59
Total	10,444.41	9,038.79	29.77	22.92	4.60	0.27	128.62	82.22	10,607.40	9,144.20
Timing of revenue recognition:										
Products and services transferred over time	10,444.41	9,038.79	29.77	22.92	4.60	0.27	128.62	82.22	10,607.40	9,144.20
Units Sold (MU)	27068	24145							27068	24145

(C) Contract Balances

Details of trade receivables including unbilled receivables and 'advances from customers / clients for Deposit Works and Contract Liabilities-Project Management/Consultancy Work are as under:

(₹ in Crore)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade Receivable-Non Current	473.51	-
Trade Receivables Current	6160.59	5175.84
Contract Liabilities- Deposit Works -Current	84.64	6.30
Contract Liabilities- Project Management/ Consultancy Work- Current	106.79	112.54
Advance from Customers and Others- Current	28.40	66.79

The Group has recognised revenue of ₹ **0.41 Crore** (Previous Year ₹ **NIL**) 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) The Group generally 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 shareholder of Subsidiary Company, contributed on various accounts through Narmada Valley Development Authority (NVDA) as per CCEA approval, details given below:
- (Refer Note No. 19 of Consolidated Balance Sheet)

Movement as per FY 2022-23:

Indira Sagar Project (ISP): -

(₹ in Crore)

(A) Amount received in Cash or in kind	Cumulative up to 31.03.2022	During 2022-23	Cumulative up to 31.03.2023
i. Expenditure by NVDA on account of Project	1,378.64	2.27	1,380.91
ii. Cash Received	672.83	-	672.83
iii. Amount transferred from OSP A/c	8.56	-	8.56
Total of (A)	2,060.03	2.27	2,062.30
(B) Due/Adjusted on account of			
i. Equity Capital	660.00	-	660.00
ii. Irrigation Component	407.26	0.10	407.36
iii. SSP Component	520.41	0.12	520.53
iv. Sub-vention towards excess R&R Expenses	425.14	3.17	428.31
v. Electricity charges and water supply maintenance charges	5.04	-	5.04
vi. Equity of OSP	33.08	-	33.08
Total of (B)	2,050.93	3.39	2,054.32
(C) Amount recoverable from NVDA i.e. (B-A)	(9.10)	1.12	(7.98)

Omkareshwar Project (OSP): -

(₹ in Crore)

(D) Amount received in Cash or in kind	Cumulative up to 31.03.2022	During 2022-23	Cumulative up to 31.03.2023
i. Expenditure by NVDA on account of Project	127.94	4.97	132.91
ii. Cash Received	658.41	22.00	680.41
iii. Amount transferred from ISP A/C	33.08	-	33.08
Total of (D)	819.43	26.97	846.40

(₹ in Crore)

(D) Amount received in Cash or in kind	Cumulative up to 31.03.2022	During 2022-23	Cumulative up to 31.03.2023
(E) Due/Adjusted on account of			
i. Equity Capital	300.16	-	300.16
ii. Irrigation Component	243.12	0.46	243.58
iii. Subvention towards excess R&R Expenses	83.37	2.63	86.00
iv. Amount Transferred to ISP A/C	8.56	-	8.56
v. Additional Special R&R Package	231.99	-	231.99
Total of (E)	867.20	3.09	870.29
(F) Amount recoverable from NVDA i.e. (E-D)	47.77	(23.88)	23.89
(G) Total Amount recoverable i.e (C+F)	38.67	(22.76)	15.91

Movement of Grant in Aid during Financial Year 2022-23 is as under:-

(₹ in Crore)

Sl. No.	Particulars	01.04.2022	Additions	Deductions	31.03.2023
1.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISP as a Grant-in-Aid	188.51	0.10	12.65	175.96
2.	Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISP.	240.92	0.12	16.16	224.88
3.	Contribution by Govt. of Madhya Pradesh towards R&R of ISP.	224.19	3.17	16.95	210.41
4.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSP as Grant-in-Aid	109.62	0.46	5.81	104.27
5.	Contribution by Govt. of Madhya Pradesh towards R&R of OSP.	200.10	2.63	12.95	189.78
	Total	963.34	6.48	64.52	905.30

Movement during FY 2021-22:

Indira Sagar Project (ISP): -

(₹ in Crore)

(A) Amount received in Cash or in kind	Cumulative up to 31.03.2021	During 2021-22	Cumulative up to 31.03.2022
i. Expenditure by NVDA on account of Project	1,375.67	2.97	1,378.64
ii. Cash Received	672.83	-	672.83
iii. Amount transferred from OSP A/c	8.56	-	8.56
Total of (A)	2,057.06	2.97	2,060.03
(B) Due/Adjusted on account of			
i. Equity Capital	660.00	-	660.00
ii. Irrigation Component	406.91	0.35	407.26

(A) Amount received in Cash or in kind	Cumulative up to 31.03.2021	During 2021-22	Cumulative up to 31.03.2022
iii. SSP Component	519.95	0.46	520.41
iv. Sub-vention towards excess R&R Expenses	422.57	2.57	425.14
v. Electricity charges and water supply maintenance charges	5.04	-	5.04
vi. Equity of OSP	33.08	-	33.08
Total of (B)	2,047.55	3.38	2,050.93
(C) Amount recoverable from NVDA i.e. (B-A)	(9.51)	0.41	(9.10)

Omkareshwar Project (OSP): -

(₹ in Crore)

(D) Amount received in Cash or in kind	Cumulative up to 31.03.2021	During 2021-22	Cumulative up to 31.03.2022
i. Expenditure by NVDA on account of Project	127.76	0.18	127.94
ii. Cash Received	655.41	3.00	658.41
iii. Amount transferred from ISP A/C	33.08	-	33.08
Total of (D)	816.25	3.18	819.43
(E) Due/Adjusted on account of			
i. Equity Capital	300.16	-	300.16
ii. Irrigation Component	243.03	0.09	243.12
iii. Subvention towards excess R&R Expenses	82.72	0.65	83.37
iv. Amount Transferred to ISP A/C	8.56	-	8.56
v. Additional Special R&R Package	231.99	-	231.99
Total of (E)	866.46	0.74	867.20
(F) Amount recoverable from NVDA i.e. (E-D)	50.21	(2.44)	47.77
(G) Total Amount recoverable i.e (C+F)	40.70	(2.03)	38.67

Movement of Grant in Aid during Financial Year 2021-22 is as under:-

(₹ in Crore)

Sl. No.	Particulars	01.04.2021	Additions	Deductions	31.03.2022
1.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISP as a Grant-in-Aid	200.79	0.35	12.63	188.51
2.	Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISP.	256.60	0.46	16.14	240.92
3.	Contribution by Govt. of Madhya Pradesh towards R&R of ISP.	238.33	2.57	16.71	224.19
4.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSP as Grant-in-Aid	115.35	0.09	5.82	109.62
5.	Contribution by Govt. of Madhya Pradesh towards R&R of OSP.	212.23	0.65	12.78	200.10
	Total	1,023.30	4.12	64.07	963.34

8. The effect of foreign exchange rate variation (FERV) during the year are as under:

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
(i)	Amount charged to Statement of Profit and Loss as FERV	(0.48)	(49.28)
(ii)	Amount recognised in Regulatory Deferral Account Balances	1.23	(0.17)
(iii)	Amount adjusted by addition to the carrying amount of Property, Plant and Equipment	(7.45)	(58.77)

9. Operating Segments:

- 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 Segments'.
- The Group has a single geographical segment as all its Power Stations /Power-generating units are located within the Country.
- Information about major customers: Revenue of ₹ **3699.70 Crore** (Previous year ₹ **3843.80 Crore**) is derived from following customers as per details below:

Sl. No.	Name of Customer	Revenue from customer for the year ended 31 st March, 2023		Revenue from customer for the year ended 31 st March, 2022	
		Amount (₹ in Crore)	% of Total Revenue	Amount (₹ in Crore)	% of Total Revenue
1	Uttar Pradesh Power Corporation Limited.	1,275.49	12.02%	1525.86	16.69%
2	Power Development Department, Jammu & Kashmir Govt./ JK Power Corporation Limited	1,105.80	10.42%	1459.74	15.96%
3	Madhya Pradesh Power Management Company Limited	1,318.41	12.43%	858.20	9.39%
Total		3,699.70	34.87%	3,843.80	42.04%

- Revenue from External Customers: The Group is domiciled in India. The amount of its revenue from external customers is as under:

(₹ in Crore)

Sl. No	Revenue from External Customers	For the year ended 31.03.2023	For the year ended 31.03.2022
1	Nepal	0.27	0.59
	Total	0.27	0.59

Note: Above includes amount in foreign currency ₹ **NIL** (Previous year ₹ **NIL**).

- Non-Current Assets held in foreign Countries:

(₹ in Crore)

Sl. No	Foreign Countries	Non-Current Asset	For the year ended 31.03.2023	For the year ended 31.03.2022
1	Nepal*	Capital Work in Progress	26.52	-
	Total		26.52	-

* Projects in Nepal are under survey and Investigation stage.

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) Limited (NHPTL)	India
Chenab Valley Power Projects Private Limited (CVPPPL) (up to 20.11.2022)	India

(ii) Key Managerial Personnel (KMP):

Sl. No.	Name	Position Held
1	Shri Rajeev Kumar Vishnoi	Chairman and Managing Director (CMD) w.e.f. 13.12.2022
2	Shri Yamuna Kumar Chaubey	Director (Technical); Additional Charge of Chairman and Managing Director (w.e.f. 01.09.2022 to 13.12.2022); Additional Charge of Director (Personnel) (w.e.f. 03.03.2022 to 02.03.2023)
3	Shri Abhay Kumar Singh	Chairman and Managing Director (Superannuated on 31.08.2022)
4	Shri Rajendra Prasad Goyal	Director (Finance) and CFO Additional Charge of Director (Personnel) w.e.f. 03.03.2023
5	Shri Biswajit Basu	Director (Projects)
6	Shri Nikhil Kumar Jain	Director Personnel (Ceased on 02.12.2021)
7	Shri Tanmay Kumar	Govt. Nominee Director (Joint Secretary, Ministry of Power) (Ceased on 13.09.2021)
8	Shri Raghuraj Madhav Rajendran	Govt. Nominee Director (Joint Secretary, Ministry of Power) (Appointed on 16.09.2021 and Ceased on 05.12.2022)
9	Shri Mohammad Afzal	Govt. Nominee Director (Joint Secretary, Ministry of Power) w.e.f. 06.12.2022
10	Dr. Uday Saktharam Nirgudkar	Independent Director (Appointed on 15.11.2021)
11	Dr. Amit Kansal	Independent Director (Appointed on 21.11.2021)
12	Dr. Rashmi Sharma Rawal	Independent Director (Appointed on 30.11.2021)
13	Shri Jiji Joseph	Independent Director (Appointed on 01.12.2021)
14	Shri Premkumar Goverthan	Independent Director (Appointed w.e.f. 10.03.2023)
15	Smt. Rupa Deb	Company Secretary (Appointed on 24.09.2021)
16	Shri Saurabh Chakravorty	Company Secretary (Ceased on 24.09.2021)

(iii) Post-Employment Benefit Plans :

Name of Related Parties	Principal place of operation
NHPC Limited Employees Provident Fund	India
NHPC Limited Employees Group Gratuity Assurance Fund	India
NHPC Limited Retired Employees Health Scheme Trust	India
NHPC Limited Employees Social Security Scheme Trust	India
NHPC Limited Employees Defined Contribution Superannuation Scheme Trust	India
NHPC Limited Employee Leave Encashment Trust	India

(iv) Other entities with joint-control or significant influence over the Group:

The Group is a Central Public Sector Enterprise (CPSE) 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. Accordingly, 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 Governments/ Other Govt. Controlled Entities	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over Group
2	Government of Madhya Pradesh (GoMP), Government of Manipur, Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) , and Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL)	Shareholder (NCI) in Subsidiary Companies of NHPC
3	Various Central Public Sector Enterprises and Other Govt. Controlled Entities (BHEL, IOCL, POSOCO, SAIL, New India Assurance Company, Damodar Vally Corporation, PGCIL, REC, BSNL, EESL, KV, Balmer Lawrie & Co. Ltd., Power Foundation of India 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 31.03.2023	For the Year ended 31.03.2022
(i)	(ii)	(iii)
Services Provided by the Group		
▪ CVPPPL (up to 20.11.2022)	16.58	33.22
Equity contributions (including share application money) by the Group		
▪ CVPPPL (up to 20.11.2022)	107.94	451.56
Reimbursement of employee benefit expenses of employees on deputation/ posted at Subsidiary Companies		
▪ CVPPPL (up to 20.11.2022)	-	2.95
Interest Income on Loan given by the Company		
▪ NHPTL	-	0.19

(₹ in Crore)

Balances with Joint Ventures	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Receivable (unsecured)		
▪ CVPPPL*(up to 20.11.2022)	-	60.89
Investment in Equity		
▪ CVPPPL*(up to 20.11.2022)	-	1839.56
▪ NHPTL (Also Refer Note 33(a))	30.40	30.40
Loans & Advances Receivable (including accrued interest) from:		
▪ NHPTL**	18.82	18.82

* Balances as at 31.03.2023 has been eliminated considering CVPPPL as subsidiary.

** Also Refer Note 34(19) of Consolidated Financial Statements.

(ii) Transactions and Balances with Key Management Personnel:

(₹ in Crore)

Compensation to Key Management Personnel	For the year ended 31.03.2023	For the year ended 31.03.2022
Short Term Employee Benefits	3.81	5.11
Post-Employment Benefits	0.56	0.49
Other Long Term Benefits	0.34	0.09

(₹ in Crore)

Other Transactions with KMP	For the year ended 31.03.2023	For the year ended 31.03.2022
Sitting Fees to independent directors	0.48	0.14
Interest Received during the year	0.01	0.09

(₹ in Crore)

Balances with KMP	As at 31.03.2023	As at 31.03.2022
Receivable on account of Employee Loans	0.03	0.42

(iii) Transactions & Balances with Post -Employment Benefit Plans

(₹ in Crore)

Post -Employment Benefit Plans	Contribution by the company (Net of Refund from Post -Employment Benefit Plans)		Balances with Post -Employment Benefit Plans	
	for the year ended 31.03.2023	for the year ended 31.03.2022	As at 31.03.2023	As at 31.03.2022
Employees Provident Fund	292.78	326.68	(23.47)	(54.05)
Employees Group Gratuity Assurance Fund	70.17	78.61	(1.47)	9.10
Retired Employees Health Scheme Trust	(15.08)	(36.74)	(17.97)	1.03
Employees Social Security Scheme Trust	5.03	5.65	(0.40)	(0.45)
Employees Defined Contribution Superannuation Scheme Trust	171.15	190.28	(33.53)	(41.17)
Employee Leave Encashment Trust	3.05	19.64	4.23	2.06

(iv) Transactions with Government that has control over the Holding Company (i.e Central Government)

(₹ in Crore)

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
(i)	(ii)	(iii)
Guarantee Fee on Foreign Loans to Govt. of India	9.62	11.62
Interest on Subordinate debts by Group (including interest accrued)	70.16	70.73
Interest received on account of 8.12% NHPC GOI Fully Serviced Bonds Issued on mandate of MOP and paid to GOI (including Interest Accrued)	163.80	163.80
Services Provided by the Group	0.02	40.75

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Sale of goods (Electricity) by the Group	30.33	25.47
Dividend Paid during the year	1354.09	1183.04
Services Received by the Group	2.92	0.45
Grant received from MNRE	4.78	0.35

(v) (a) Outstanding balances with Central Government:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Balances with Central Government (that has control over the Holding Company)		
Loan Payable to Government (Subordinate debts) (Including Interest Accrued)	5830.83	4831.02
Receivable - 8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest accrued)	2021.69	2021.69
Receivables (Unsecured)	84.80	54.55
Foreign Currency Borrowings guaranteed by Government of India	698.17	801.97

(b) Outstanding balances of Loan guaranteed by Central Government:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Foreign Currency Borrowings	698.17	801.97

(vi) Transactions with minority Shareholders in Subsidiary Companies of NHPC (i.e. Government of Manipur, Government of Madhya Pradesh (GoMP, UPNEDA and JKSPDCL):

(₹ in Crore)

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
(i)	(ii)	(iii)
Purchase of Property/ Assets/Material by the Group	6.78	109.38
Sale of goods (Electricity) by the Group	1368.96	919.03
Dividend Paid during the year by the Group	354.30	280.36
Equity contribution(including Share Application Money) Received by the Group	200.08	57.88
Services Received by the Group	49.03	11.76
Grant received by Group	6.48	4.12
Service provided by the Group	22.77	-

(vii) Balances with Shareholders in Subsidiary Companies of NHPC (i.e. Government of Manipur, Government of Madhya Pradesh (GoMP), UPNEDA and JKSPDC):

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Receivable	518.78	219.44
Payable	1.02	136.46
Equity contribution (including Share Application Money)	2985.94	1056.86

(viii) Transactions with entities controlled by the Government that has control over the Group

(₹ in Crore)

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
(i)	(ii)	(iii)
Purchase of property/Other assets	19.92	29.35
Purchase of Construction Materials, Stores, etc.	336.03	460.36
Services Received by the Group	812.10	618.08
Services Provided by the Group	2.06	0.59
Sale of goods made by the Group	80.05	72.76
Settlement of claims/Amount received by the Group against Insurance Claims	61.22	105.20
Contribution by the Company	6.00	5.00

(ix) Balances with entities controlled by the Government that has control over the Group

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Balances with Entities controlled by the Government that has control over the Group		
▪ Payables	81.81	52.73
▪ Receivables	284.11	208.27

(C) Other notes to related party transactions:

(i) Terms and conditions of transactions with the related parties:

- 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.
- Unsecured loan of ₹ **18.40 crore** (Previous Year ₹ **18.40 crore**) granted to NHPTL is interest bearing @ 10% p.a. to be compounded annually. Impairment provision amounting to ₹ **18.82 crore** (Previous Year ₹ **0.42 crore**) along with accrued interest has been recognised due to significant uncertainty in realisation.
- Consultancy services provided by the Group to Joint Venture Companies are generally on nomination basis at the terms, conditions and principles applicable for consultancy services provided to other parties.
- Outstanding balances of Joint Venture Company as at 31.03.2023 are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. Assessment of impairment is undertaken

at each financial year through examining the financial position of the related party and the market in which the related party operates.

- (e) Contributions to post-employment benefit plans are net of refunds from trusts.
- (ii) Commitment towards further investments in the Joint Venture Company is disclosed at Note 34(4).

11. Particulars of Security: The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.

(₹ in Crore)

S. No	Particulars	As on 31.03.2023		As on 31.03.2022	
		Specific Assets mortgaged/ hypothecated against Borrowings	Common Assets mortgaged/ hypothecated against Borrowings #	Specific Assets mortgaged/ hypothecated against Borrowings	Common Assets mortgaged/ hypothecated against Borrowings
1	Property, Plant & Equipment	9,433.58	8,160.10	9790.32	-
2	Capital work in progress	14,137.11	12,102.92	11813.08	-
3	Financial Assets-Others	967.59	987.93	1200.68	-
	Total	24,538.28	21,250.95	22804.08	-

The actual value of security pledged against common pool of assets is ₹ **1866.14 Crore** as on 31.03.2023 (Previous Year-**Nil**).

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 which has been in operation i.e. 01.06.2007. Contribution to the fund is made by employees at a fixed amount per month and a matching contribution for the same amount is also made by the Group. The scheme has been created to provide financial help to bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the year towards social security scheme are ₹ **2.73 Crore** (Previous year ₹ **2.94 Crore**). The funds of the scheme have been invested in the NHPC Limited Employees Social Security Scheme Trust and the same is managed by the Life Insurance Corporation (LIC) of India.
- (ii) **Employees Defined Contribution Superannuation Scheme (EDCSS):** The scheme has been created 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 the LIC of India. Expense recognised during the year towards EDCSS are ₹ **103.88 Crore** (Previous year ₹ **104.93 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 a fixed contribution and to ensure a minimum rate of return to the members as specified by the 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 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 death.

Such ceiling limit of gratuity shall, however, increase by 25% when Industrial Dearness Allowance increase by 50%. 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. The funds of the trust are managed by the LIC of India.

- (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 and parents 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 limit fixed by the Group. The liability REHS 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 to make contribution to the Trust based on such actuarial valuation. The funds of the Trust are managed by the LIC of India.
- (iv) **Allowances on Retirement/Death:** Actual cost of shifting from place of duty at which employees 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. 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 employees on superannuation. Liability for the same is recognised on the basis of actuarial valuation.
- (vi) **Employees Family Economic Rehabilitation Scheme:** Group has introduced "Employees Family Economic Rehabilitation Scheme" w.e.f. 01.04.2021. The objective of this scheme is to provide monetary assistance and support to an employee in case of permanent total disablement of the employee and to his family in case of death of the employee, provided the permanent total disablement / death as the case may be, takes place while the employee is in service of the Group. On the separation of an employee from the service of the Group on account of death / permanent total disablement, the beneficiary is entitled to monthly payment equivalent to 50% of one month Basic Pay & DA last drawn by the employee and other benefits including HRA, Children's Education Allowance, etc. provided the beneficiary surrenders with the Group the death/ disablement benefits received under Social Security Scheme. Liability for the Scheme 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 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Opening Balance as at 01.04.2022	3151.52	3190.78	(39.26)
Current Service Cost	96.08	-	96.08
Interest Expenses/ (Income)	247.32	247.14	0.18
Total	343.40	247.14	96.26
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(Income)	-	3.03	(3.03)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.13)	-	(0.13)
Experience (gains)/Losses	(0.52)	-	(0.52)
Total	(0.65)	3.03	(3.68)

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
	2022-23		
Contributions:-			
-Employers	-	96.08	(96.08)
-Plan participants	242.92	242.92	-
Benefit payments	(515.84)	(515.84)	-
Closing Balance as at 31.03.2023	3221.35	3264.11	(42.76)

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
	2021-22		
Opening Balance as at 01.04.2021	3136.25	3144.22	(7.97)
Adjustment	-	-	-
Current Service Cost	96.48	-	96.48
Interest Expenses/ (Income)	242.82	246.47	(3.65)
Total	339.30	246.47	92.83
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(Income)	-	13.27	(13.27)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.41)	-	(0.41)
Experience (gains)/Losses	(13.96)	-	(13.96)
Total	(14.37)	13.27	(27.64)
Contributions:-			
-Employers	-	96.48	(96.48)
-Additional Contribution Employee for last year loss	-	-	-
-Plan participants	275.04	275.04	-
Benefit payments	(584.70)	(584.70)	-
Closing Balance as at 31.03.2022	3151.52	3190.78	(39.26)

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31 st March 2023	31 st March 2022
Present Value of funded obligations	3221.35	3151.52
Fair value of Plan Assets	3264.11	3190.78
Deficit/(Surplus) of funded plans	(42.76)	(39.26)
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	(42.76)	(39.26)

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 ₹ **42.76 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	
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
Discount Rate	0.50%	0.50%	Decrease by	0.007%	0.007%	Increase by

(ii) **Gratuity:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Opening Balance as at 01.04.2022	599.85	598.38	1.47
Opening Balance of CVPPPL on 21.11.2022	3.53	-	3.53
Current Service Cost	17.55	-	17.55
Past Service cost	18.24	-	18.24
Interest Expenses/ (Income)	42.15	41.93	0.22
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	77.94	41.93	36.01
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	0.68	(0.68)
(Gain)/loss from change in demographic assumptions	2.80	-	2.80
(Gain)/loss from change in financial assumptions	(13.92)	-	(13.92)
Experience (gains)/Losses	(9.81)	-	(9.81)
Total Amount recognised in Other Comprehensive Income	(20.93)	0.68	(21.61)
Contributions:-			
-Employers	-	10.00	(10.00)
-Plan participants	-	-	-
Benefit payments	(84.92)	(89.25)	4.33
Closing Balance as at 31.03.2023	575.47	561.74	13.73

Keeping in view the provision whereby the ceiling limit of gratuity increases by 25% when Industrial Dearness Allowance increased by 50% and considering the fact that the current Industrial Dearness Allowance is 37.20% as on 31.03.2023, Gratuity ceiling of ₹ **0.24 Crore** has been considered for actuarial valuation in respect of employees retiring after 01.01.2027.

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Opening Balance as at 01.04.2021	631.80	680.11	(48.31)
Current Service Cost	17.72	-	17.72
Past Service Cost	33.75	-	33.75
Interest Expenses/ (Income)	41.38	44.55	(3.17)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	92.85	44.55	48.30
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	2.61	(2.61)
(Gain)/loss from change in demographic assumptions	0.24	-	0.24
(Gain)/loss from change in financial assumptions	(18.49)	-	(18.49)
Experience (gains)/Losses	(9.74)	-	(9.74)
Total Amount recognised in Other Comprehensive Income	(27.99)	2.61	(30.60)
Contributions:-			
- Employers	-	(29.33)	29.33
- Plan participants	-	-	-
Benefit payments	(96.81)	(99.56)	2.75
Closing Balance as at 31.03.2022	599.85	598.38	1.47

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31 st March 2023	31 st March 2022
Present Value of funded obligations	575.47	599.85
Fair value of Plan Assets	561.74	598.38
Deficit/(Surplus) of funded plans	13.73	1.47
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	13.73	1.47

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	
	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022
Discount Rate	0.50%	0.50%	Decrease by	3.44%	3.46%	Increase by	3.66%	3.70%
Salary growth rate	0.50%	0.50%	Increase by	0.51%	0.53%	Decrease by	0.57%	0.61%

(iii) **Retired Employees Health Scheme (REHS):** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
	2022-23		
Opening Balance as at 01.04.2022	1014.92	1016.22	(1.30)
Opening Balance of CVPPPL on 21.11.2022	1.88	-	1.88
Current Service Cost	18.46	-	18.46
Interest Expenses/ (Income)	71.13	71.15	(0.02)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	89.59	71.15	18.44
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	11.38	(11.38)
(Gain)/loss from change in demographic assumptions	0.26	-	0.26
(Gain)/loss from change in financial assumptions	(51.38)	-	(51.38)
Experience (gains)/Losses	89.20	-	89.20
Total Amount recognised in Other Comprehensive Income	38.08	11.38	26.70
Contributions:-			
-Employers	-	16.34	(16.34)
-Plan participants	-	-	-
Benefit payments	(55.58)	(51.24)	(4.34)
Closing Balance as at 31.03.2023	1088.89	1063.85	25.04

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Opening Balance as at 01.04.2021	959.29	1054.25	(94.96)
Current Service Cost	17.57	-	17.57
Interest Expenses/ (Income)	62.83	69.05	(6.22)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	80.40	69.05	11.35
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	7.39	(7.39)
(Gain)/loss from change in demographic assumptions	0.08	-	0.08
(Gain)/loss from change in financial assumptions	(57.99)	-	(57.99)
Experience (gains)/Losses	78.95	-	78.95
Total Amount recognised in Other Comprehensive Income	21.04	7.39	13.65
Contributions:-			
-Employers	-	(66.74)	66.74
-Plan participants	-	-	-
Benefit payments	(45.81)	(47.73)	1.92
Closing Balance as at 31.03.2022	1014.92	1016.22	(1.30)

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Construction and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above related to funded and unfunded plans are as follows:

Particulars	31 st March 2023	31 st March 2022
Present Value of funded obligations	1088.89	1014.92
Fair value of Plan Assets	1063.85	1016.22
Deficit/(Surplus) of funded plans	25.04	(1.30)
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	25.04	(1.30)

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		
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022	
Discount Rate	0.50%	0.50%	Decrease by	6.74%	6.73%	Increase by	6.83%	6.78%
Medical cost rate	0.50%	0.50%	Increase by	6.87%	6.80%	Decrease by	6.76%	6.76%

- (iv) **Allowances on Retirement/Death:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Opening Balance as at 01.04.2022	5.77	-	5.77
Opening Balance of CVPPPL on 21.11.2022	0.02	-	0.02
Current Service Cost	0.26	-	0.26
Interest Expenses/ (Income)	0.41	-	0.41
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	0.67	-	0.67
Re-measurements			
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	(0.14)	-	(0.14)
Experience (gains)/Losses	0.03	-	0.03
Total Amount recognised in Other Comprehensive Income	(0.13)	-	(0.13)
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.73)	-	(0.73)
Closing Balance as at 31.03.2023	5.60	-	5.60

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Opening Balance as at 01.04.2021	6.05	-	6.05
Current Service Cost	0.27	-	0.27
Interest Expenses/ (Income)	0.40	-	0.40
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	0.67	-	0.67
Re-measurements			
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	(0.26)	-	(0.26)
Experience (gains)/Losses	0.15	-	0.15

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Total Amount recognised in Other Comprehensive Income	(0.11)	-	(0.11)
Contributions:-			
- Employers	-	-	-
- Plan participants	-	-	-
Benefit payments	(0.84)	-	(0.84)
Closing Balance as at 31.03.2022	5.77	-	5.77

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above is 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	
	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022
Discount Rate	0.50%	0.50%	Decrease by	4.94%	4.76%	Increase by	5.27%	5.10%
Cost Increase	0.50%	0.50%	Increase by	5.47%	5.32%	Decrease by	4.99%	4.85%

- (v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Opening Balance as at 01.04.2022	2.83	-	2.83
Current Service Cost	0.11	-	0.11
Interest Expenses/ (Income)	0.20	-	0.20
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	0.31	-	0.31
Re-measurements			
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	(0.05)	-	(0.05)
Experience (gains)/Losses	(0.17)	-	(0.17)
Total Amount recognised in Other Comprehensive Income	(0.23)	-	(0.23)

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
	2022-23		
Contributions:-			
-Plan participants	-	-	-
Benefit payments	(0.37)	-	(0.37)
Closing Balance as at 31.03.2023	2.54	-	2.54

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
	2021-22		
Opening Balance as at 01.04.2021	3.21	-	3.21
Current Service Cost	0.12	-	0.12
Interest Expenses/ (Income)	0.21	-	0.21
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	0.33	-	0.33
Re-measurements			
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	(0.08)	-	(0.08)
Experience (gains)/Losses	(0.19)	-	(0.19)
Total Amount recognised in Other Comprehensive Income	(0.27)	-	(0.27)
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.44)	-	(0.44)
Closing Balance as at 31.03.2022	2.83	-	2.83

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above is 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		
	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022
Discount Rate	0.50%	0.50%	Decrease by	3.01%	3.27%	Increase by	3.11%	3.44%

(vi) **Employees Family Economic Rehabilitation Scheme:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2022-23			
Opening Balance as at 01.04.2022	25.44	-	25.44
Current Service Cost	2.10	-	2.10
Past Service Cost	-	-	-
Interest Expenses/ (Income)	1.56	-	1.56
Total Amount recognised in Statement of Profit and Loss	3.66	-	3.66
Re-measurements			
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	(0.33)	-	(0.33)
Experience (gains)/Losses	1.09	-	1.09
Total Amount recognised in Other Comprehensive Income	0.76	-	0.76
Contributions:-			
- Employers	-	-	-
- Plan participants	-	-	-
Benefit payments	(0.94)	-	(0.94)
Closing Balance as at 31.03.2023	28.92	-	28.92

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
Opening Balance as at 01.04.2021	-	-	-
Current Service Cost	1.13	-	1.13
Past Service Cost	21.03	-	21.03
Interest Expenses/ (Income)	-	-	-
Total Amount recognised in Statement of Profit and Loss	22.16	-	22.16
Re-measurements			
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	-	-	-
Experience (gains)/Losses	-	-	-
Total Amount recognised in Other Comprehensive Income	-	-	-
Contributions:-			
- Employers	-	-	-

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
2021-22			
- Plan participants	3.08	-	3.08
Benefit payments	0.20	-	0.20
Closing Balance as at 31.03.2022	25.44	-	25.44

Total amount recognised in the Statement of Profit and Loss and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above is 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	
	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022
Discount Rate	0.50%	0.50%	Decrease by	2.00%	2.89%	Increase by	2.12%	3.13%
Salary growth rate	0.50%	0.50%	Increase by	0.82%	1.43%	Decrease by	0.78%	1.40%

(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:

Particulars	31 st March 2023	31 st March 2022
Discount Rate (Holding Company)	7.35%	7.00%
Discount Rate (NHDC)	7.35%	7.14%
Salary growth rate	6.50%	6.50%

(d) The major categories of Plan Assets are as follows:

Provident Fund:

(₹ in Crore)

Particulars	31 st March 2023			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1949.31	-	1949.31	59.78
Corporate Bonds	1051.50	-	1051.50	32.25
Investment Funds				
Mutual Funds	147.83	-	147.83	4.53
Cash and Cash Equivalents	-	48.50	48.50	1.49
Accrued Interest	63.47	-	63.47	1.95
Total	3212.11	48.50	3260.61	100.00

(₹ in Crore)

Particulars	31 st March 2022			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1,904.14	-	1,904.14	59.73
Corporate Bonds	1,091.12	-	1,091.12	34.23
Investment Funds				
Mutual Funds	80.78	-	80.78	2.53
Cash and Cash Equivalents	-	46.70	46.70	1.46
Accrued Interest	65.26	-	65.26	2.05
Total	3,141.30	46.70	3,188.00	100.00

Gratuity

(₹ in Crore)

Particulars	31 st March 2023			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	561.70	561.70	100.00
Cash and Cash Equivalents	-	0.02	0.02	-
Total	-	561.72	561.72	100.00

(₹ in Crore)

Particulars	31 st March 2022			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	598.35	598.35	100.00
Cash and Cash Equivalents	-	0.02	0.02	-
Total	-	598.37	598.37	100.00

Retired Employees Health Scheme (REHS):

(₹ in Crore)

Particulars	31 st March 2023			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	9.64	-	9.64	0.91
Corporate Bonds	418.52	-	418.52	39.36
LIC Scheme	-	619.05	619.05	58.22
Fixed Deposit	-	0.25	0.25	0.02
Cash and Cash Equivalents	-	0.13	0.13	0.01
Accrued Interest	15.34	0.40	15.74	1.48
Total	443.50	619.83	1063.33	100.00

(₹ in Crore)

Particulars	31 st March 2022			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	4.82	-	4.82	0.47
Corporate Bonds	430.52	-	430.52	42.38
LIC Scheme	-	564.81	564.81	55.59
Cash and Cash Equivalents	-	0.09	0.09	0.01
Accrued Interest	15.74	-	15.74	1.55
Total	451.08	564.90	1,015.98	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 – For funded plans, asset-liability mismatch and actual return on assets at a rate 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, 2024 are ₹ **149.80 Crore**.

The weighted average duration of the defined benefit obligations as at 31st March , 2023 is **10.37 Years** (Previous Year: **10.49 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
31.03.2023	478.90	862.82	650.48	1229.15	3221.35
31.03.2022	499.94	885.14	604.77	1161.67	3151.52

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, Memento and Employees Family Economic Rehabilitation Scheme are as under.

(₹ in Crore)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2023					
Gratuity	69.77	55.95	106.12	343.60	575.44
Post-employment Medical Benefits (REHS)	55.63	59.42	208.51	765.34	1088.90
Allowances on Retirement/Death	0.53	0.46	0.84	3.77	5.60
Memento to employees on attaining the age of superannuation	0.36	0.28	0.47	1.41	2.52
NHPC Employees Family Economic Rehabilitation Scheme	1.13	1.20	4.09	22.49	28.91
TOTAL	127.42	117.31	320.03	1136.61	1701.37
31.03.2022					
Gratuity	80.41	63.48	115.38	340.55	599.82
Post-employment Medical Benefits (REHS)	43.59	46.22	202.81	722.31	1,014.93
Allowances on Retirement/Death	0.57	0.52	1.00	3.69	5.78
Memento to employees on attaining the age of superannuation	0.41	0.35	0.63	1.43	2.82
NHPC Employees Family Economic Rehabilitation Scheme	0.94	0.96	3.01	20.52	25.43
TOTAL	125.92	111.53	322.83	1,088.50	1,648.78

(C) **Other long-term employee benefits (Leave Benefit):** The Group provides for earned leave and half-pay leave to the employees who 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 ₹ **57.83 Crore** (31st March 2022: ₹ **65.01 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 31.03.2023	For the Year ended 31.03.2022
a)	Expenditure in Foreign Currency		
i)	Interest	18.78	23.47
ii)	Other Misc. Matters	51.56	6.43
b)	Value of spare parts and Components consumed in operating units.		
i)	Imported	-	-
ii)	Indigenous	23.89	21.06

14. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	3.91	4.71
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	3.87	3.51
Par value per share (₹)	10	10

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	3930.59	4733.66
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	3889.98	3523.57

c) Reconciliation of weighted average number of shares used as denominator :

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Weighted Average number of equity shares used as denominator	10045034805	10045034805

15. Disclosure as per Schedule-III of Companies Act,2013 :

FY 2022-23

(₹ 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
Holding								
NHPC	72.50	30,246.10	84.74	3,593.14	67.06	(3.36)	84.76	3,589.78
Subsidiary Companies								
NHDC	5.77	2,407.35	10.03	424.66	16.77	(0.84)	10.02	423.82
LDHCL	-	(0.22)	(2.85)	(120.67)	-	-	(2.85)	(120.67)
BSUL	0.20	81.75	(0.07)	(2.61)	-	-	(0.07)	(2.61)
LTHPL	4.21	1,757.94	(0.01)	(0.22)	-	-	(0.01)	(0.22)
JPCL	0.73	303.22	0.01	0.28	-	-	0.01	0.28
RHPTL	0.33	139.65	0.08	3.22	-	-	0.08	3.22
NREL	0.04	18.41	(0.04)	(1.59)	-	-	(0.04)	(1.59)
CVPPPL (w.e.f. 21.11.2022)	4.68	1,950.51	0.10	4.23	-	-	0.10	4.23
Non-controlling Interests in all Subsidiary Companies	11.54	4,815.13	8.13	344.76	16.17	(0.81)	8.12	343.95

(₹ 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
Joint Ventures (Investments as per the Equity Method)								
NHPTL	-	-	(0.34)	(14.24)	-	-	(0.34)	(14.24)
CVPPPL	-		0.22	9.15	-	-	0.22	9.15
TOTAL	100.00	41,719.84	100.00	4240.11	100.00	(5.01)	100.00	4,235.10

FY 2021-22

(₹ 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
Holding								
NHPC	75.64	28578.31	86.27	3256.01	117.49	12.76	86.36	3268.77
Subsidiaries								
NHDC	6.23	2353.43	7.18	270.55	(8.93)	(0.97)	7.13	269.58
LDHCL	0.30	115.12	-	0.01	-	-	-	0.01
BSUL	0.22	82.36	(0.02)	(0.61)	-	-	(0.02)	(0.61)
LTHPL	3.90	1475.01	(0.01)	(0.20)	-	-	(0.01)	(0.20)
JPCL	0.80	303.63	(0.01)	(0.48)	-	-	(0.01)	(0.48)
RHPTL	0.36	136.96	(0.01)	(0.32)	-	-	(0.01)	(0.32)
Non-controlling Interests in all Subsidiary Companies	7.58	2862.87	6.64	250.76	(8.56)	(0.93)	6.60	249.83
Joint Ventures (Investments as per the Equity Method)								
NHPTL	0.04	14.24	(0.11)	(3.97)	-	-	(0.11)	(3.97)
CVPPPL	4.93	1861.92	0.07	2.58	-	-	0.07	2.58
TOTAL	100.00	37783.85	100.00	3774.33	100.00	10.86	100.00	3785.19

16. Commitments and contingent liabilities in respect of Joint Ventures:

(₹ in Crore)

Particulars		As on 31.03.2023	As on 31.03.2022
A	Contingent Liabilities	1.27	80.61
B	Capital Commitments	0.28	5,100.29

17. Disclosure related to Confirmation of Balances is as under :

- (a) The Group has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis
- (b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, loans (other than employee), Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure have been sought for outstanding balances of ₹ **0.05 crore** or above in respect of each party as at 31st December, 2022. Status of confirmation of balances against total outstanding as at December 31, 2022 as well as total outstanding as on 31.03.2023 is as under:

(₹ in Crore)

Particulars	Outstanding amount as on 31.12.2022	Amount confirmed	Outstanding amount as on 31.03.2023
Trade receivable (excluding unbilled)*	3,938.02	3396.86	3963.11
Deposits, Loans, Advances to contractors/ suppliers /service providers/ others including for capital expenditure	3300.68	1461.40	3377.99
Trade/Other payables	702.16	159.57	1023.26
Security Deposit/Retention Money payable	440.43	124.95	530.24

- * Trade receivables are including receivables on account of interest receivable from Beneficiaries and net of advance from customers.
- (c) In the opinion of the management, unconfirmed balances will not require any adjustment having any material impact on the Financial Statements of the Group.

18. Disclosures regarding leases as per IND AS -116 "Leases":

A) Group as Lessee:

(i) Accounting Treatment of Leases as per Ind AS 116 :

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has applied the following practical expedients on initial application of Ind AS 116:

- a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- c) Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.

- d) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- e) The weighted average incremental borrowing rate applied to leases recognised during FY 2022-23 is 6.58%.

(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 31.03.2023:

(₹ in Crore)

S. No	Description	31.03.2023	31.03.2022
1	Expenditure on short-term leases	12.70	12.57
2	Variable lease payments not included in the measurement of lease liabilities	4.43	5.41

(iv) Commitment for Short Term Leases as on 31.03.2023 is ₹ 5.16 Crore (Previous Year ₹ 4.31 Crore).

(v) Movement in lease liabilities during the year:

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Opening Balance	20.58	15.11
Additions in lease liabilities	78.82	8.96
Finance cost accrued during the year	3.37	1.46
Less: Payment of lease liabilities	50.82	4.95
Closing Balance	51.95	20.58

B) Finance Lease – Group as Lessor

The Group has entered into lease arrangements with a single beneficiary, Power Development Department, Jammu & Kashmir for sale of the entire power generated by two power stations, namely Nimmo Bazgo and Chutak Power Stations and Madhya Pradesh Power Management Group for sale of the entire power generated by two power stations namely Indira Sagar and Omkareshwar Power stations for the substantial period of the expected life of these Power Stations. Under the agreements, the customer is obligated to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). Further, the Group has entered into a supplementary PPA with M/s West Bengal State Electricity Development Corporation Limited (WBSEDCL) for offtake of the entire power generated by TLDP-III Power Station for its balance useful life of 35 years on mutually agreed tariff w.e.f 1st April, 2019. The arrangements have been assessed by the Company and classified as a Finance Lease. 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.

Income from Finance Lease for the year is ₹ **841.83 Crore** (previous year ₹ **865.51 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 31.03.2023:

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Undiscounted lease payments receivable:		
Less than one year	1,015.26	1,028.39
One to two years	998.27	1,018.28
Two to three years	940.43	999.86
Three to four years	835.14	942.74
Four to five years	818.31	835.34
More than five years	15,484.82	16,343.59
Total undiscounted lease payments receivable	20,092.23	21,168.19
Add: unguaranteed residual value	808.70	806.75
Less: Unearned finance income	14,823.66	15,703.11
Net investment in the lease	6,077.26	6,271.83
Discounted unguaranteed residual value included in net investment in lease	24.69	21.72

Significant changes in the carrying amount of the net investment in finance leases:

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Opening Balances	6,271.83	6,415.55
Additions during the year	26.97	49.36
Income from Finance Lease for the year	841.83	865.51
Less: Amount received during the year	1,063.37	1,058.59
Closing Balances	6,077.26	6,271.83

C) Operating Lease –Group as Lessor :

The Group has entered into Power Purchase Agreements (PPA) with WBSEDCL for sale of power from TLDP-IV power station for a period of 10 years and with Jodhpur Vidyut Vitran Nigam Limited (JVVNL) for sale of power from 50 MW Wind Power Project, Jaisalmer for a period of 3 years. Power Purchase Agreement with JVVNL has expired on March 31, 2019 and extension of PPA is under process, though power is being scheduled to the customer. As per the PPAs, the customer is obligated to purchase the entire output of these Power Stations/Power Projects at mutually agreed tariff in case of TLDP-IV Power Station and on the basis of pooled cost of power for 50 MW Wind Power Project. The Group has determined that these arrangements are in the nature of an Operating Lease.

Income from Operating Lease for the year is ₹ **392.41 Crore** (previous year ₹ **384.07 Crore**).

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as per Power Purchase Agreement:

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Less than one year	312.21	312.21
One to two years	312.21	312.21
Two to three years	312.21	312.21
Three to four years	320.10	312.21
Four to five years	320.10	320.10
More than five years	960.30	1280.41
Total	2537.13	2849.35

19. As per Ind AS 36- Impairment of Assets requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each 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, nine CGUs of the Group were assessed for impairment as on 31st March, 2023. The CGUs of the Group were selected based on criteria like capital cost per MW, tariff, etc. and include the two major construction projects of the Group, one Renewable Energy Generation Station and the four most recently commissioned Power Stations over 100 MW capacity. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment.

The impairment analysis was 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 2022-23 except for impairment of loan in one Joint Venture Company as under:

- (i) **Impairment in respect of Loan to National High Power Test Laboratory Pvt. Ltd. (Joint Venture Company):** During FY 2020-21, the Company had granted loan of ₹ 18.40 crore interest bearing at the rate of 10% p.a. compounded annually to NHPTL. The interest is payable half yearly on 30th April and 31st October of every financial year starting from 30.04.2021. The loan was repayable in 20 equal half-yearly instalments starting from 31.10.2022. However, considering default in payment of interest and repayment of instalment due on 31.10.2022, the Group has recognized an impairment provision of ₹ 18.40 crore during the year due to significant uncertainty in realisation.

Further, there exists no impairment in respect of the Projects/Power Stations of the Group during FY 2022-23.

20. As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deducted from free power to the State Government, there shall not be any impact on the profit of the Group.
21. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

22. Nature and details of provisions (refer Note No. 17 and 22)

(i) **General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the

obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When a provision is discounted, 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 of Consolidated Financial Statements):

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 Group 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 following periods:

- 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 of 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 Policy and Construction Plant and Machinery Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

e) Provisions for expenditure in respect of Arbitration Award/Court cases:

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

f) Provisions- Others: This includes provisions towards:-

- (i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.
- (ii) Wage revision of Central Government Employees whose services are utilised by the Group.
- (iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014 -19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.
- (iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.
- (v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.
- (vi) Provision for impairment of investment by Employees Provident Fund Trust in certain interest-bearing Financial Instruments including interest accrued thereon but not received.
- (vii) Provision for cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) as per Management estimate

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 from 16.12.2011 to 30.09.2019 due to cases filed before the National Green Tribunal. Technical and administrative work at the project, however, continued.

Vide order dated 31st July 2019, the Hon'ble NGT 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 were dismissed. Active construction work at the project was resumed from October 2019.

In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ **2735.61 Crore** (upto Previous year ₹ **2735.61 Crore**), employee benefits expense, depreciation and other expense of ₹ **1427.67 crore** (upto Previous year ₹ **1427.67 Crore**), net of other income of ₹ **322.60 Crore** (upto Previous year ₹ **322.60 Crore**) incurred till 30th September 2019 was charged to the Statement of Profit and Loss.

CERC Tariff Regulations allows inclusion of such costs for fixation of tariff in case the cessation of construction activities were beyond the control of the Project Developer. Accordingly, and in line with Guidance Note on Rate Regulated Activities and Ind AS 114, the aforesaid expenditure has further been recognized as Regulatory Deferral Account (Debit) balances

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.

The total Regulatory Deferral Account Debit balances recognized in respect of Subansiri Lower Project for and upto the year ended 31.03.2023 are as under:

(₹ in Crore)

Regulatory asset created in relation to:	Upto 31.03.2023
Borrowing Costs	2509.67
Employee Benefit expense	628.73
Depreciation and Amortisation	54.86
Other Expense	562.83
Other Income	(285.50)
Total	3470.59

No regulatory deferral account balances in respect of Subansiri Lower Project has been recognized during the year 2022-23.

As per management assessment, there is no impairment in the carrying amount of ₹ **13947.17 crore (Previous Year ₹ 10479.22 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 earlier Tariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo, the Tariff Regulations for the period 2019-2024 also include delay in obtaining statutory approval for projects as one of the force majeure events. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of Subansiri Lower Project.

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower Project are:

- a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of depreciation through tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term Power Purchase Agreements (PPAs), at the rate covering the cost and required return ensuring the viability of the Project.

- b) Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating company but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):

Pay of employees of CPSUs including Central Govt. Employees under IDA pay scale have been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹ 0.10 crores to ₹ 0.20 crores with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations including employees of Kendriya Vidyalaya and CISF Personnel is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner Group as on 31.12.2006 from the beneficiaries in twelve equal monthly installments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114-“Regulatory Deferral Accounts”, additional expenditure on employee benefits (including employees of Kendriya Vidyalaya and CISF Personnel) due to revision of pay/gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income till 31st March 2019, amounting to ₹ 670.90 Crore have been recognized as ‘Regulatory Deferral Account balances’.

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 from FY 2019-20 has been recognized as revenue with corresponding Trade Receivables.

During the current year, these balances have been billed to beneficiaries as per tariff order received against petition filed with CERC in this regard. Accordingly the outstanding amount under Regulatory Deferral Account balances has been adjusted during the year. Summary of total RDA Debit balances recognized and adjusted till 31.03.2023 in the financial statement are as under:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	495.41
B	Addition during the year (+)	-
C	Amount collected during the year (-)	(495.41)
D	Regulatory income recognized in the Statement of Profit and Loss & Other Comprehensive Income (B+C)	(495.41)
E	Closing balance as on 31.03.2023 (A+D)	-

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 30 years by way of charging 1.5% depreciation from the 1st to the 10th year and 2.5% depreciation from 11th to the 40th year, thus aggregating 90 percent of the Capital Cost of the Power Station. This moderation, with the intent to reduce tariff in the initial years of operation, has been duly approved by the CERC.

Moderation of depreciation rates for tariff determination in Kishanganga Power Station gives rise to a significant mismatch by way of higher depreciation charged in the books (as per CERC Tariff Regulations, 2019-24) during the first 12 years of commercial operation and recovery by way of tariff as per Tariff Order of the Power Station approved by the CERC. The lower recovery during the first 12 years would, however, be compensated over the balance period of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", difference between depreciation charged to the Statement of Profit and Loss as per Tariff Regulations 2019-24 and the depreciation allowed by way of tariff and which is recoverable from the beneficiaries in subsequent periods is being recognized as 'Regulatory Deferral Account balances' with effect from Commercial Operation Date of the Power Station. RDA balances created during the first 12 years of commercial operation life shall be recovered from beneficiaries by way of higher depreciation as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 28 years.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)		
Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	761.46
B	Addition during the year (+)	199.36
C	Amount Used/collected during the year (-)	-
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)	199.36
E	Closing balance as on 31.03.2023 (A+D)	960.82

The Group has long term Power Purchase Agreements in respect of Kishanganga Power Station. Since the proposal for moderation of tariff already stands approved by the CERC, the Group does not envisage any significant risk as regards recoverability of the Regulatory Deferral Account balances created in respect of Kishanganga Power Station.

However, as depreciation charge in the books and recovery thereof through tariff are dependent on the Capital Cost of the Power Station as allowed by CERC, recovery of the regulatory deferral account balances in respect of Kishanganga Power Station would be subject to **Regulatory Risk**. Approval of actual capital expenditure on the Power Station including expenditure on account of time and cost overruns etc. are subject to prudence check by the CERC. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

D) Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items:

As per Ind AS 23- "Borrowing Costs", borrowing cost on foreign currency loans to the extent treated as an adjustment to interest costs is allowed to be capitalised during construction period. Further, Ind AS 21- "The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on settlement or translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in the Profit and Loss in the period in which they arise.

Para D13AA of Ind AS 101- "First Time Adoption of Ind AS" provides that a first-time adopter may continue the existing accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss.

As per the CERC Tariff Regulations 2014-19, any gain or loss on account of exchange risk variation shall be recoverable as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during Operation and Maintenance (O&M) period. Further, CERC in past tariff orders has allowed exchange differences incurred during the construction period as a part of capital cost.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, exchange differences arising on translation/ settlement of foreign currency monetary items to the extent charged to the Statement of Profit and Loss are being recognized as 'Regulatory Deferral Account balances' with effect from 01.04.2016. These balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries after Commercial Operation Date (COD) of the Project.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	1.55
B	Addition during the year (+)	1.67
C	Amount Used/collected during the year (-)	-
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)	1.67
E	Closing balance as on 31.03.2023 (A+D)	3.22

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 / payable to 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 01.04.2022	1665.63
B	Addition during the year (+)	-
C	Amount Used/collected during the year (-)	(56.08)
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)	(56.08)
E	Closing balance as on 31.03.2023 (A+D)	1609.55

(ii) In respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19 and onwards):

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	854.09
B	Addition during the year (+)	1.18
C	Amount Used/collected /Reversed during the year (-)	(217.16)
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)	(215.98)
E	Closing balance as on 31.03.2023 (A+D)	638.11

(iii) Regulatory Deferral Account Credit balances on account of Minimum Alternative Tax (MAT) Credit:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Credit Balances
A	Opening balance as on 01.04.2022	2016.72
B	Addition during the year (+)	125.59
C	Amount Used/collected /Reversed during the year (-)	(658.36)
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)	(532.77)
E	Closing balance as on 31.03.2023 (A+D)	1483.95

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable/ payable upto tariff period 2004-2009, deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 and that pertaining to recognition of MAT Credit 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 31.03.2023 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 31 st March, 2023	As at 31 st March, 2022
Business Interruption Loss	202.98	74.01	-	128.97*	128.97*

* Included in Contingent Assets in Para 3 (d) to Note no. 34.

Income recognised in respect of Business Interruption Loss during the year is **NIL** (Cumulative as on date is ₹ **Nil Crore**).

- (ii)** Sewa-II Power Station, where Head Race Tunnel (HRT) was damaged on September 25, 2020 due to land slide. Restoration of the damages has since been completed and power station is currently in operation. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2023 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 31 st March, 2023	As at 31 st March, 2022
Against material damage	51.92	25.00	11.92	15.00	39.07
Business Interruption Loss	204.00*	165.00	-	39.00	63.74**
Total	255.92	190.00	11.92	54.00	102.81

* Net of additional premium amounting to ₹ **36.00 Crore** as per Insurance Policy.

** Included in Contingent Assets in Para 2 (d) to Note no. 34.

Income recognised in respect of Business Interruption Loss during the year is ₹ **42.14 Crore** (Cumulative as on date is ₹ **204.00 Crore**).

- (iii) Status of Insurance claim in respect of power stations (other than major claims of Uri-II, and Sewa-II disclosed at para 24 (i) and (ii) above) as on 31.03.2023 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 31 st March, 2023	As at 31 st March, 2022
Against material damage	70.20	6.87	22.01	41.32	38.69
Total	70.20	6.87	22.01	41.32	38.69

25. As per deliberations of the Board of Directors in its meeting held on 20.03.2014, the viability of Bursar HE Project is dependent upon financial support from Government of India and Government of Jammu & Kashmir. Ministry of Power (MOP), Government of India was approached to provide funding for Survey and Investigation of **Bursar Project** to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it was informed by the representatives of MoWR that the request of the company for release of funds for preparation of DPR is under consideration for approval of Government of India. Detailed Project Report (DPR) of the project was submitted to CEA and expenditure of ₹ **226.94 Crore** (previous year ₹ **226.78 Crore**) incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision in respect of ibid expenditure had been recognised in earlier years and the same has been continued in the books of accounts.
26. Kotlibhel-IA, 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. In accordance with the direction of Hon'ble Supreme Court dated 24.11.2015, MoEF&CC has filed an affidavit in the Hon'ble Court on 17.08.2021, based on consensus of MoEF&CC, Ministry of Power, Ministry of Jal Shakti and State Govt. of Uttarakhand for construction of 7 hydroelectric projects, which does not include Kotli Bhel IA, IB & II projects. Pending final decision of the Hon'ble Supreme Court about the outcome of these projects, the expenditure incurred upto 31.03.2023 amounting to ₹ **279.75 crore** (previous year ₹ **278.11 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 ₹ **374.12 crore** (previous year ₹ **372.48 Crore**) up to 31.03.2023 has been made in the books of accounts.
27. Expenditure incurred on Tawang Stage-I and Stage-II Hydroelectric Projects amounting to ₹ **237.15 crore** (previous year ₹ **237.15 Crore**) has been carried forward as Capital Work in Progress. However, considering delay in receipt of clearances, difficulty in acquisition of land and overall uncertainties associated with these projects, provision for expenditure incurred in these projects up to 31.03.2023 amounting to ₹ **237.15 crore** (previous year ₹ **237.15 crore**) has been made in the accounts as an abundant precaution. Further, the Company is in the process of handing over these projects to NEEPCO subject to fulfilment of requisite conditions.
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 31.03.2023 amounting to ₹ **35.91 Crore** (previous year ₹ **35.70 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.91 Crore** (previous year ₹ **35.70 Crore**) has been made in the books of accounts.
- b) Measures to reduce capital cost and optimise tariff of Goriganga IIIA Project are being explored. Pending decision on the same, the expenditure incurred upto 31.03.2023 amounting to ₹ **46.37 Crore** (previous year ₹ **46.37 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.37 Crore** (previous year ₹ **46.37 Crore**) has been made in the books of accounts.

29. Disclosure regarding Monetization/ Securitisation:

Monetization/ Securitisation during FY 2022-23 :

During FY 2022-23, the Group has entered into an agreement with State Bank of India for monetization of free cash (consisting Return on Equity, revenue from Secondary Energy and Capacity Incentive) of Uri-I Power Station for 10 years under the National Monetisation Pipeline issued by the NITI Aayog for an amount of ₹ 1876.37 Crore which is repayable to the Bank over a period of 10 years in the following manner:

- (a) **Fixed Component:** ₹ 22.42 Crore per month @ 7.65% discount rate (3M MCLR of SBI plus spread of 0.05%). The applicable discount rate from the date of disbursement till date of first reset shall be the rate based on benchmark rate one day prior to date of disbursement and spread as quoted by bidder. First such reset shall take place on 1st April 2023 and every three months thereafter.
- (b) **Variable Component:** 5% of revenue on account of secondary energy of the Power Station, payable annually.

Monetization/ Securitisation during FY 2021-22 :

During FY 2021-22, the Group has entered into an agreement with HDFC Bank Limited for securitisation of Return on Equity (ROE) of Chamara-I Power Station under the National Monetisation Pipeline issued by the NITI Aayog for an amount of ₹ 1016.39 crore which is repayable to the Bank over a period of 10 years in the following manner:

- a) **Fixed Component:** ₹ 10.90 crore per month @ 5.24% discount rate (3-month T- bill 3.71% as on 31-Jan-2022 plus spread of 1.53%). The discount rate shall be reset every three months based on the benchmark rate. First such reset was done on the first day of April 2022 and every three months thereafter.
- b) **Variable Component:** 5% of revenue on account of secondary energy of the Power Station, payable annually.

The amount realized on monetization has been initially recognised as a Financial Liability (Borrowings) at fair value in accordance with Ind AS 109. Interest expense has been recognised under Finance Cost/Expenditure Attributable to Construction as per the Effective Interest Rate method.

30. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(A) Loans and advances in the nature of loans:

(i) Joint Venture Companies:

(₹ in Crore)

Name of Company	Outstanding Balances as at		Maximum amount outstanding during the year	
	31.03.2023	31.03.2022	2022-23	2021-22
National High Power Test Laboratory (P) Ltd. (NHPTL)*	18.82	18.82	18.82	18.82

* Impairment Provision against loan to NHPTL has been recognised. [Refer Note 34 (19)]

(ii) To Firms/companies in which directors are interested : NIL (Previous Year-NIL)

B. Investment by the loanee (as detailed above) in the shares of NHPC : NIL (Previous Year- NIL)

31. Quantitative details of Carbon Credit Certificates in respect of Hydro Generating Power Stations:

Sl. No.	Description	Quantity (in Numbers)	
		For the year ended 31.03.2023	For the year ended 31.03.2022
1	Opening Balance	2436839	6930932
2	Issued/Generated during the Year	-	138595
3	Sold during the year	-	4632688
4	Closing Balance	2436839	2436839
5	Under Certification	28304999	-

32. Disclosure as per Ind AS 103 'Business Combinations':

Acquisition during the year ended 31.03.2023

Acquisition of Chenab Valley Power Projects (P) Limited (CVPPPL): On 21st November 2022, Holding Company acquired control over the voting shares of Chenab Valley Power Projects (P) Limited (the acquiree), a non- listed

Company based in India and engaged in the business of generating of electricity. CVPPPL was incorporated as a joint venture Company between NHPC (49%), Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) (49%) and PTC India Limited (PTC) (2%) and is currently engaged in construction of hydro electric projects in the Union Territory of J&K.

Prior to the financial year 2021-22, the Company's investment in CVPPPL was 49% as per the Joint Venture agreement and the accounts of CVPPPL was consolidated as a joint venture using the equity method. During FY 2021-22, the Company had acquired 2% equity of PTC in the acquiree. However, pending modification in the Promoter's Agreement, during FY 2021-22, CVPPPL was accounted for as a Joint Venture owing to control being exercised jointly with the other joint venture, i.e. JKSPDCL in terms of the Joint Venture agreement.

During FY 2022-23, the Supplementary Promoters' Agreement of CVPPPL has been signed between NHPC and JKSPDCL on 21.11.2022. As per the said agreement, NHPC has majority representation on the Board of CVPPPL and has consequently gained control over CVPPPL from that date. Accordingly, this date has been considered as the date of acquisition under Ind AS 103 "Business Combinations".

(i) **Primary Reasons for Acquisition:**

- a) Business Development of the Company.
- b) Expeditious decision making, resulting in faster development of the projects currently under execution.
- c) Ease access of acquiree Company to funds from lenders at cheaper rates, due to highest credit rating of Holding Company in the domestic market.

(ii) (a) **Identifiable assets acquired and liabilities assumed:** The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

		(₹ in Crore)
Particulars	Amount	
Assets:		
Property, Plant & Equipment	93.28	
Capital Work in Progress	2503.81	
Right of Use Assets	801.34	
Intangible Assets including under development	1.19	
Other Non Current Assets	586.93	
Cash & Cash Equivalents	54.63	
Other Current Assets	1112.71	
Regulatory Deferral Account Debit Balances	0.44	
Total Assets (A)	5154.33	
Liabilities:		
Borrowings	370.64	
Other Financial Liabilities	227.80	
Provisions	133.97	
Other Non Current Liabilities	667.26	
Other Current Liabilities	7.13	
Total Liabilities (B)	1406.80	
Fair value of Identifiable Net Assets [C= (A-B)]	3747.52	
Less: Non-Controlling Interest (NCI) of Identifiable Net Assets (Refer (iii) below (D))	1762.12	
Value of Investment in Shares of Acquiree using Equity Method (E=C-D)	1985.40	

- (b) There were no Trade Receivables in the books of CVPPPL as on the date of acquisition, since the projects of the Company are under construction.

- (c) On the date of acquisition, the group has disclosed Contingent Liabilities of ₹ **143.38 Crore** of the acquiree Company.

(iii) The Group elected to measure the non-controlling interest in CVPPPL at the proportionate share of its interest in CVPPPL's net identifiable assets at the date of acquisition:

(₹ in Crore)

Non-Controlling Interest of Identifiable Net Assets	Amount
Fair value of Identifiable Net Assets	3747.52
Less: Share Application Money Pending Allotment of NCI	32.00
Net Assets excluding Share application money	3715.52
% holding of NCI	46.56%
Portion of NCI in Net Assets excluding Share application Money	1730.12
Share Application Money of NCI	32.00
Non-Controlling Interest of Identifiable Net Assets	1,762.12

The valuation is considered to be level 3 in fair value hierarchy due to unobservable inputs used in valuation.

- (iv) Acquisition related costs:** There were no acquisition-related costs.

(v) Revenue and profit contribution

CVPPPL has contributed ₹ **19.63 crore** and ₹ **8.02 crore** to the consolidated revenue and profit of the Group respectively, since date of acquisition of control.

In case control was transferred on 1st April 2022, the contribution of CVPPPL to the revenue and profit of the group would have been ₹ **53.46 crore** and ₹ **25.15 crore** respectively.

(vi) Disclosure regarding gain on fair valuation of interest in joint venture:

(₹ in Crore)

Particulars	Amount
Fair value of previously held interest in CVPPPL	1985.40
Re-measuring the Equity Interest to Fair Value	1985.40
Amount recognised in profit and loss	NIL

The net assets recognised in the Financial Statements of CVPPPL are in accordance with the fair valuation report of an independent valuer.

There was no acquisition during the Year ended 31.03.2022.

33. Disclosure relating to Investment accounted for using Equity Method under Ind AS 28: During the year, the Company has accounted for the following investments using equity method:

- (a) **National High Power Test Laboratory Private Limited (NHPTL):** The Group holds 20% of the Equity of NHPTL. Additionally, the Group had granted unsecured loan of ₹ 18.40 Crore to the Joint Venture Company. At the start of the year, the value of interest in the Joint Venture was ₹ **32.64 Crore** comprising of investment accounted for using the Equity Method (₹ **14.24 crore**) and unsecured loan of ₹ **18.40 crore**. For the current year, NHPTL has reported a loss of ₹ **111.29 crore** out of which Group's share of loss is ₹ **22.26 crore**. Further, the said loan has been provided for during the current year due to default in repayment and significant uncertainties in realization. Accordingly, as the Group's share of loss exceeds its interest in the Joint Venture as on 31st March, 2023, the Group has recognised its share of loss in the Joint Venture to the extent of its interest in the carrying value of investment, i.e ₹ **14.24 Crore**.
- (b) **Investment in Chenab Valley Power Projects (P) Limited (CVPPPL):** Since Investment in CVPPPL has been considered as a Joint Venture till 20th November, 2022, accordingly the same has been consolidated using equity method till 20th November, 2022. For the current year till 20.01.2022, CVPPPL has reported a profit of

₹ 17.13 crore out of which the Group's share of profit amounting to ₹ 9.15 crore has been considered under "Share of Net Profit of Joint Ventures accounted for using the "equity method" (Also Refer Note 2.7.2 and Note 34(32) of Consolidated Financial Statements).

- 34. Disclosure regarding Relationship with Struck off Companies:** Following is the disclosure regarding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as per requirement of Schedule-III of the Companies Act, 2013:

Outstanding Payables/Receivables in respect of Struck off Companies as on 31st March 2023

(₹ in Crore)

Sl. No.	Name of Struck off Company	Nature of transaction with Struck off Company	Balance Outstanding as at 31 st March 2023	Relationship with the struck off company
1	KISHAN SINGH AND CO PVT LTD	Receivable	0.22	Contractor
2	RMS ELECTRONICS PRIVATE LIMITED	Payable	0.02	Contractor
3	VIRTUAL ELECTRONICS COMPANY	Payable	0.01	Contractor
4	GREAT EASTERN TRADING CO LTD	Payable	0.01	Contractor
5	R.K.BUILDING SOLUTIONS PVT. LTD	Payable	0.06	Contractor
6	ROLTAMAX PORT-TECH PRIVATE LTD	Payable	0.02	Contractor
7	KRCC INFRA PROJECTS PVT. LTD.	Payable	0.35	Contractor

Note: Outstanding Balances with 17 number of Struck off companies whose Individual receivable/payable amount is less than ₹ 50,000/-. Sum of all such recoverable cases amounts to ₹ NIL and sum of all such payable cases amounts to ₹ 186,507/-.

The following information regarding Outstanding Payables/Receivables from Struck off Companies were disclosed during the previous year:

(₹ in Crore)

Sl. No.	Name of Struck off Company	Nature of transaction with Struck off Company	Balance Outstanding as at 31 st March 2022	Relationship with the struck off company
1	KISHAN SINGH AND CO PVT LTD	Receivable	0.22	Contractor
2	RMS ELECTRONICS PRIVATE LIMITED	Payable	0.02	Contractor
3	TOTAL SOLUTIONS PRIVATE LIMITED	Payable	0.02	Contractor
4	R. K. BUILDING SOLUTIONS PVT. LTD	Payable	0.13	Contractor
5	ROLTAMAX PORT-TECH PRIVATE LTD	Payable	0.02	Contractor
6	ROYAL BIOTECH PRIVATE LIMITED	Payable	0.03	Contractor

Note: Outstanding Balances with 9 number of Struck off companies whose Individual receivable/payable amount is less than ₹ 50,000/-. Sum of all such recoverable cases amounts to ₹ 15,770/- and sum of all such payable cases amounts to ₹ 81,643/-.

Equity Shares of NHPC Limited held by struck off companies as on 31st March 2023

Sl. No.	Name of Struck off Company	Number of equity shares held by the struck off company	Nature of transactions with struck off companies
1	UNICON FINCAP PRIVATE LIMITED	1,20,100	Equity Shares of NHPC Limited held by the struck off company
2	DEEPLOK SECURITIES LTD.	50,000	
3	VITALINK WEALTH ADVISORY SERVICES PRIVATE LTD	6,393	
4	TRADESHARE FINANCIAL SERVICES PVT LTD	2,000	
5	HARSH STOCK PORTFOLIO PRIVATE LIMITED	1,426	
6	OMJI SPACES PVT LTD	500	
7	WIZARD INSURANCE SERVICES PVT LIMITED	320	
8	ZENITH INSURANCE SERVICES PVT LTD	320	
9	SIDDHA PAPERS PRIVATE LIMITED	301	
10	HARESH EXTRUSION COMPANY PRIVATE LIMITED	250	
11	DREAMS BROKING PVT LTD	50	
12	RISING STAR REAL ESTATE PRIVATE LIMITED	40	
13	SUSIE AND ROSA REAL ESTATE MARKETING PVT LTD	13	
14	SANVI FINCARE CONSULTANCY PRIVATE LIMITED	2	
15	KOTHARI INTERGROUP LTD.	1	

The following information regarding Equity Shares of NHPC Limited held by Struck off Companies were disclosed during the previous year:

Sl. No.	Name of Struck off Company	Number of equity shares held by the struck off company	Nature of transactions with struck off companies
1	QUANTUM SECURITIES P LTD	7000	Equity Shares of NHPC Limited held by the struck off company
2	VITALINK WEALTH ADVISORY SERVICES PRIVATE LTD	6393	
3	SUYASH MERCANTILE PVT. LTD.	4500	
4	TRADESHARE FINANCIAL SERVICES PVT LTD	2000	
5	HARSH STOCK PORTFOLIO PRIVATE LIMITED	1426	
6	OMJI SPACES PVT LTD	500	
7	WIZARD INSURANCE SERVICES PVT LIMITED	320	
8	ZENITH INSURANCE SERVICES PVT LTD	320	
9	SIDDHA PAPERS PRIVATE LIMITED	301	
10	HARESH EXTRUSION COMPANY PRIVATE LIMITED	250	
11	SUSHIL SECURITIES PRIVATE LIMITED	100	
12	GSB SHARE CUSTODIAN SERVICES LIMITED	100	
13	GVJ PROJECTS PRIVATE LIMITED	59	
14	DREAMS BROKING PVT LTD	50	
15	RISING STAR REAL ESTATE PRIVATE LIMITED	40	
16	SUSIE AND ROSA REAL ESTATE MARKETING PVT LTD	13	
17	SANVI FINCARE CONSULTANCY PRIVATE LIMITED	2	
18	KOTHARI INTERGROUP LTD.	1	

35. Impact of change in the accounting policies: During the year, following changes to the accounting policies have been made:

- (i) Accounting Policy on Recognition of Carbon Credits/ CERs/VERs has been added under significant accounting policies. There is no impact on profit due to the above change.
- (ii) Depreciation on assets provided to employees at residential Office has been revised due to implementation of new Scheme for providing furniture/furnishing at the residential office of employees during the year. Impact on profit due to the above change is insignificant.

36. Other Disclosure required under Schedule-III of the Companies Act, 2013:

- (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) None of the Entities of the Group have been declared wilful defaulter by any bank or financial institution or other lender.
- (iv) There were no scheme of Arrangements approved by the competent authority during the year in terms of sections 230 to 237 of the Companies Act, 2013. However current status of the ongoing amalgamation process of LTHPL and JPCL (subsidiaries of the Company) are given at Note No. 34.1.1 & 34 .1.2 of the Consolidated Financial Statements.
- (v) The Group has not traded or invested in crypto currency or Virtual Currency during the financial year.
- (vi) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Group as per Section 2(45) of the Companies Act, 2013
- (vii) No proceedings have been initiated or are pending against the Group under the Benami Transactions (Prohibition) Act, 1988.
- (viii) The quarterly returns / statement of current assets filed by the Holding Company with banks / financial institutions are in agreement with the books of accounts.
- (ix) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

37. Figures for the previous year have been re-grouped/re-arranged/re-classified/re-stated wherever necessary.

For and on behalf of Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place : New Delhi
Date : 29th May, 2023

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	2	3	4	5	6	7	8		
Sl. No.	Name of the subsidiary	1	2	3	4	5	6	7	8
		NHDC Ltd.	Loktak Downstream Hydroelectric Corporation Ltd.	Bundelkhand Saur Urja Ltd.	Lanco Teesta Hydro Power Limited	Jalpower Corporation Limited	Rate Hydroelectric Power Corporation Ltd.	NHPC Renewable Energy Limited****	Chenab Valley Power Projects (P) Limited #
3	The date since when subsidiary was acquired	01-08-2000	23-10-2009	02-02-2015	09-10-2019	31-03-2021	01-06-2021	16-02-2022	13-06-2011
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	(16.02.2022-31.03.2023)	(21.11.2022-31.03.2023)
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA	NA	NA
6	Share capital	1,962.58	141.09	99.17	1,724.41	281.49	270.00	20.00	3,692.39
7	Reserves & surplus	3,730.69	(141.39)	(5.14)	40.24	22.96	105.89	(1.59)	303.84
8	Total assets	7,650.78	1.06	277.75	2,500.06	647.05	415.14	18.43	5,384.52
9	Total Liabilities	1,957.51	1.36	183.72	735.42	342.60	39.25	0.01	1,388.28
10	Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
11	Turnover	1,318.41	-	3.81	-	-	-	-	-
12	Profit before taxation*	1,168.43	(161.28)	(3.93)	(0.22)	0.28	8.59	(1.91)	38.60
13	Provision for taxation**	394.00	-	(0.93)	-	-	2.27	(0.33)	13.45
14	Profit after taxation	774.43	(161.28)	(3.00)	(0.22)	0.28	6.32	(1.59)	25.15
15	Proposed dividend	166.82	Nil	Nil	Nil	Nil	Nil	Nil	Nil
16	Extent of shareholding (in percentage)	51.08%	74.82%	86.94%	100.00%	100.00%	51.00%	100.00%	52.74%

* Including income on regulatory deferral account balances.

** Provision for taxation includes tax expenses and tax on regulatory deferral account balances.

***NHPC Limited has formed a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. The first Financial Statements of the NREL has been prepared in current Financial Year.

The Company has acquired majority stake in Chenab Valley Power Project Pvt. Limited (CVPPPL) during the FY 2021-22. Supplementary Promoters Agreement in respect of CVPPPL has been signed between NHPC and JKSPDC on 21.11.2022, consequent to which NHPC has gained control of CVPPPL. Accordingly, CVPPPL which was considered as Joint Venture as upto 20th November 2022, is now considered as Subsidiary as on 31st March 2023.

Notes:

1. Names of subsidiaries which are yet to commence operations	1. Loktak Downstream Hydroelectric Corporation Limited 2. Bundelkhand Saur Urja Limited 3. Lanco Teesta Hydro Power Limited 4. Jalpower Corporation Limited 5. Ratle Hydroelectric Power Corporation Limited 6. NHPC Renewable Energy Limited 7. Chenab Valley Power Projects (P) Limited NIL
2. Names of subsidiaries which have been liquidated or sold during the year.	

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. (till 20 th November 2022)	National High Power Test Laboratory Private Limited.
1 Latest audited Balance Sheet Date	31 st March 2023	31 st March 2022*
2 Date on which Joint Venture was associated or acquired	13.06.2011	22.05.2009
3 Shares of Joint Ventures held by the company on the year end		
No.	1,94,73,91,286	3,04,00,000
Amount of Investment in Joint Venture	1,947.39	30.40
Extend of Holding %	53.44%	20%
4 Description of how there is significant influence	NA	NA
5 Reason why the joint venture is not consolidated	NA	NA
6 Net worth attributable to Shareholding as per latest audited Balance Sheet	1,924.29	14.24
7 Profit / (Loss) for the year		
i Considered in Consolidation	9.15	(14.24)
ii Not Considered in Consolidation	NA	(8.02)

* Management certified accounts of National High Power Test Laboratory Private Limited has been considered for Group consolidation for the financial year ended 31.03.2023.

Notes:

1. Names of Joint Ventures which are yet to commence operations.	NIL
2. Names of Joint Ventures which have been liquidated or sold during the year.	NIL

For and on behalf of Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
Chartered Accountants
FRN: 006591N/N500377

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place : New Delhi
Date : 29th May, 2023

KGRS & CO

Chartered Accountants

Chatterjee International Centre

17th Floor, Flat No. 13

33A, J. L. Nehru Road

Kolkata - 700 071

Tel : (033) 4005 6199

INDEPENDENT AUDITOR'S REPORT**To Members of Lanco Teesta Hydro Power Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of **Lanco Teesta Hydro Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 including the accounting standard specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2023.

(b) in the case of the Statement of Profit & Loss, of the loss of the Company for the year ended on that date.

(c) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

(d) in the case of Statement of Changes in Equity, of the changes in equity 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules there under, 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.

Other Matter

We invite attention to Note No. 34.26 to the financial statements which states that an application for amalgamation pursuant to provisions of section 230-232 of Companies Act, 2013 between M/s Lanco Teesta Hydro Power Limited ("applicant / transferor company") and M/s NHPC Limited ("applicant / transferee company") has been submitted to the Ministry of Corporate Affairs, Govt. of India on 10th August 2022. The matter is pending as on date.



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Our opinion is not modified in respect of the above matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board Report including Annexures to Board Report but does not include the financial statements and our auditors' report thereon. The Board Report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.



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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.

Report on Other Legal and Regulatory Requirements:

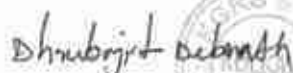
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under section 143(5) of the Act, we give in "Annexure C", a statement on the Directions issued by the Comptroller & Auditor General of India, action taken thereon and its impact on the financial statements of the Company.
3. 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - e) Pursuant to notification no. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Section 164(2) of the Act pertaining to the disqualification of the Directors is not applicable to the Company.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) The reporting requirements in terms of section 197(16) of the Act, as amended is not applicable to the Company.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigation which could have impact on its financial position in its financial statements. Refer Note No 34.1 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) During the year the Company has not declared or paid dividend under section 123 of the Companies Act, 2013.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For KGRS & Co
Chartered Accountants
Firm Registration No. 310014E



(D. Debnath)
Partner
Membership No 309841
UDIN: 23309841BGWISH4788

Place: Kolkata
Date: May 5, 2023

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ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in Independent Auditors' Report on even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has physically verified its Property, Plant and Equipment and Right-of-use assets during the year. No material discrepancies were noticed on such verification.
 - c) According to the informations and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) which are held in the name of the Company.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2.
 - a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
3. During the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
4. In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief the Company has not granted any loans, made any investments, given any guarantee and security in terms of Section 185 and 186 of the Companies Act 2013. Therefore, the provisions of Clause 3(iv) of the Order are not applicable to the Company.
5. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Section 73 - 76 of the Act and the rules framed there under. Therefore, the provisions of Clause 3(v) of the Order is not applicable to the Company.



6. During the year, the Company is not required to maintain cost records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Therefore, the provisions of Clause 3 (vi) of the Order is not applicable to the Company.
7. a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. No amount is outstanding in respect of these dues as on balance sheet date for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us, there are no statutory dues specified in Clause 3 (vii)(a) outstanding which have not been deposited by the Company on account of any dispute.
8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. (a) 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 loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company did not hold any investments in subsidiaries, joint ventures or associate companies as defined under the act, hence reporting on clause 3(ix)(f) of the Order is not applicable.
10. (a) In our opinion and according to information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
11. (a) During the course of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor material fraud on the Company, noticed or reported during the year, nor have we been informed of such cases by the Management.



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- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) During the course of our examination of the books and records of the Company, and according to the informations given by the management, the Company has not received any whistle blower complaints during the year.
12. The Company is not a Nidhi Company as specified in Section 406 of the Companies Act 2013 and the Companies (Nidhi Companies) Rules, 2014. Therefore, the provisions of Clause 3 (xii) of the order are not applicable to the company.
13. In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and details thereof have been disclosed in the financial statements as required by relevant Accounting Standards.
14. (a) In our opinion and according to information and explanations given by the management, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions with directors or persons connected with him in terms of Section 192 of the Companies Act 2013. Therefore, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.
16. (a) During the course of our examination of the books and records of the Company, and according to the information and explanations given to us, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has incurred cash losses of Rs.22.49 lakhs during the financial year and Rs. 20.19 lakhs in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



KGRS & CO

20. The provision of Section 135 of the Companies Act, 2013 is not applicable to the Company.
Hence, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

For KGRS & Co
Chartered Accountants
Firm Registration No. 310014 E

Shubjit Debnath

(D. Debnath)
Partner
Membership No 309841
UDIN: 23309841BGWISH4788

Place: Kolkata
Date: May 5, 2023

KGRS & CO

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT (Referred to in Independent Auditors' Report on even date)

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

We have audited the internal financial controls over financial reporting of **Lanco Teesta Hydro Power Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



KGRS & CO

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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.

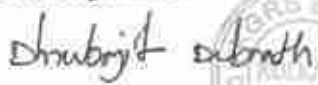
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KGRS & Co
Chartered Accountants
Firm Registration No. 310014 E


(D. Debnath)
Partner
Membership No 309841
UDIN: 23309841BGWISH4788

Place: Kolkata
Date: May 5, 2023

KGRS & CO

ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT (Referred to in Independent Auditors' Report on even date)

General Directions under section 143(5) of the Companies Act, 2013 in respect of Lanco Teesta Hydro Power Limited for the financial year 2022-2023:

Sl. No.	Questionnaires	Remarks
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing 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. Yearend 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. Whether such cases are properly accounted for?	According to the information and explanations given to us and based on our audit, there is no existing debts / loans / interest etc. made by a lender to the Company which require restructuring due to inability to repay.
3	Whether funds (grants/ subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such funds received. Accordingly, there is no impact on the financial statements.

For KGRS & Co
Chartered Accountants
Firm Registration No: 310014E



(D. Debnath)
Partner
Membership No 309841
UDIN: 23309841BGWISH4788

Place: Kolkata
Date: May 5, 2023

KGRS & CO

Chartered Accountants

Chatterjee International Centre

17th Floor, Flat No. 13

33A, J. L. Nehru Road

Kolkata - 700 071

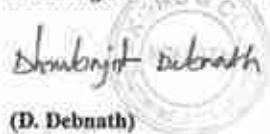
Tel. : (033) 4005 6199

Annexure-II

Compliance Certificate

We have conducted the audit of annual accounts of Lanco Teesta Hydro Power Limited (CIN: U40109TG2000GOI034758) having its registered office at 1-7-37/1, NMDC Quarters, Quarters No. Type IV-1, Opp.Ramanthapur Church, Street No.8 Ramanthapur, Hyderabad, Telangana – 500013 for the year ended 31st March, 2023 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Direction /Sub-directions issued to us.

For KGRS & Co
Chartered Accountants
Firm Registration No. 310014E



(D. Debnath)
Partner
Membership No 309841
UDIN: 23309841BGWISH4788

Place: Kolkata
Date: May 5, 2023



LANCO TEESTA HYDRO POWER LIMITED
(A Wholly Owned Subsidiary of NHPC Limited)
CIN: U03091TG2000GD034758
BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in Lakhs)

PARTICULARS	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
(A) NON-CURRENT ASSETS			
(i) Property, Plant and Equipment	2.1	1,442.11	436.32
(ii) Capital Work in Progress	2.2	2,14,764.57	1,30,473.75
(iii) Right of Use Assets	2.3	1,929.38	1,999.06
(iv) Investment Property	2.4	-	-
(v) Intangible Assets	2.5	9.58	14.89
(vi) Intangible Assets under development	2.6	-	-
(B) Financial Assets			
(i) Investments	3.1	-	-
(ii) Trade Receivables	3.2	-	-
(iii) Loans	3.3	-	-
(iv) Others	3.4	-	-
(v) Non Current Tax Assets (Net)	4	102.24	81.02
(vi) Other Non Current Assets	5	27,156.31	10,666.58
TOTAL NON CURRENT ASSETS		2,48,320.07	1,52,032.77
(C) CURRENT ASSETS			
(i) Inventories	6	-	-
(ii) Financial Assets			
(a) Trade Receivables:	7	-	-
(i) Cash and Cash Equivalents	8	1,896.57	784.17
(ii) Bank balances other than Cash and Cash Equivalents	9	-	8.62
(iii) Loans	10	1.25	2.80
(iv) Others	11	245.34	189.29
(v) Current Tax Assets (Net)	12	17.79	2.73
(vi) Other Current Assets	13	319.51	571.15
TOTAL CURRENT ASSETS		4,482.40	1,578.54
(D) Regulatory Debit Account Debit Balances	14	-	-
TOTAL ASSETS		2,50,006.47	1,54,352.90
EQUITY AND LIABILITIES			
(I) EQUITY			
(a) Equity Share Capital	15.1	1,72,441.00	1,44,010.00
(b) Other Equity	15.2	4,023.61	4,046.10
TOTAL EQUITY		1,76,464.61	1,48,056.10
(II) LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16.1	53,000.00	-
(ii) Lease Liabilities	16.2	228.08	164.41
(iii) Other financial liabilities	16.3	2,934.81	854.14
(b) Provisions	17	-	-
(c) Deferred Tax Liabilities (Net)	18	-	-
(d) Other non-current liabilities	19	-	-
TOTAL NON CURRENT LIABILITIES		56,162.88	1,018.55
(III) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	20.1	6,000.00	-
(ii) Lease Liabilities	20.2	133.07	85.36
(iii) Trade Payables	20.3	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of Creditors other than micro enterprises and small enterprises		125.67	1,782.38
(b) Other financial liabilities	20.4	7,757.49	2,850.36
(c) Other Current Liabilities	21	788.55	184.13
(d) Provisions	22	554.29	285.42
(e) Current Tax Liabilities (Net)	23	-	-
TOTAL CURRENT LIABILITIES		15,380.97	5,157.85
TOTAL EQUITY & LIABILITIES		2,50,006.47	1,54,352.90

Accompanying notes to the Standalone Financial Statements
in terms of our report of even date:
For KSR & CO
Chartered Accountants
Firm Registration No. 310014E

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For and on behalf of
Lanco Teesta Hydro Power Limited

Shubhojit Debnath
(S. Debnath)
Partner
Membership No. 309841

Place: Balutia, SRAI
Date: 05th May 2023

(S. N. Upadhyay)
Director
DIN: 00260778

(S. P. Mukherjee)
CEO
PAN: AAAPR8725E

(Tarun Anand)
Company Secretary
M.M. 337928

(A. K. Sauriyal)
Director
DIN: 00431883

(Shafiq Chandra)
CFO
PAN: ADKPC3571D





LANCO TEESTA HYDRO POWER LIMITED

(A Wholly Subsidiary of NHFC Limited)

CIN : U40108TG2000G0034738

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Lakhs)

PARTICULARS:	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
INCOME			
(i) Revenue from Operations	24.1	-	-
(ii) Other Income	24.2	100	-
TOTAL INCOME		100	-
EXPENSES			
(i) Purchase of Power - Trading	25.1	-	-
(ii) Generation Expenses	25.2	-	-
(iii) Employee Benefits Expense	26	0	0
(iv) Finance Costs	27	0	(0)
(v) Depreciation and Amortisation Expense	28	-	-
(vi) Other Expenses	29	22.49	20.19
TOTAL EXPENSES		22.49	20.19
PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		(22.49)	(20.19)
Exceptional Items		-	-
PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		(22.49)	(20.19)
Tax Expenses:	30.1		
(i) Current Tax		-	-
(ii) Adjustments for Income Tax		-	-
(iii) Deferred Tax		-	-
Total Tax Expenses		-	-
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		(22.49)	(20.19)
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	-	-
PROFIT FOR THE YEAR (A)		(22.49)	(20.19)
Profit for the year from continuing operations (A)		(22.49)	(20.19)
Profit from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations after tax		-	-
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		-	-
Less: Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations		-	-
Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations		-	-
Less: Impact of Tax on Regulatory Deferral Accounts		-	-
Sub total (a)		-	-
(b) Investment in Equity Instruments		-	-
Sub total (b)		-	-
Total (B)=(a)+(b)		-	-
(C) Items that will be reclassified to profit or loss (Net of Tax):			
- Investment in Debt Instruments		-	-
Total (C)		-	-
Other Comprehensive Income (B)=(B)+(C)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) (COMPRISING PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR)		(22.49)	(20.19)
Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- before movements in Regulatory Deferral Account Balances after movements in Regulatory Deferral Account Balances)	34 (32)	-	-

Accompanying notes to the Standalone Financial Statements

1-34

In terms of our report of even date
For KRS & CO
Chartered Accountants
Firm Registration No. 310014E

For and on behalf of
Lanco Teesta Hydro Power Limited

Shubjit Deb Nath
(D. Deb Nath)
Partner
Membership No. 309841

(S. N. Ujjwal)
Director
DIN: 00290778

S. P. Mukherjee
(S. P. Mukherjee)
CEO
PIN: AAAPM0720E

(A. K. Nautiyal)
Director
DIN: 01451993

Shampa Chandra
(Shampa Chandra)
CFO
PIN: ADPC3571D

Tarun Ahuja
(Tarun Ahuja)
Company Secretary
M.No. A37926

Place: Bhubaneswar, Odisha
Date: 05th May 2023





LANGO TEESTA HYDRO POWER LIMITED
(A Wholly Owned Subsidiary of NHPC Limited)
CIN : U40109TG2000GOI034758

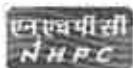
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Lakhs)

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year including movements in Regulatory Deferral Account Balance	(22.49)	(20.18)
Less: Movements in Regulatory Deferral Account Balance	-	-
Profit before Tax	(22.49)	(20.18)
ADD:		
Depreciation and Amortisation	-	-
Finance Cost (Net of EAC)	-	-
Provision for Contingent Liabilities in value of Investments	-	-
Provisions Others (Net of EAC)	-	-
Exchange rate variation (Gain)	-	-
Tax Adjustment (Net)	-	-
Balance adjustment on account of Exchange Rate Variation	-	-
Loss/(Profit) on sale of assets/Other value off	-	-
LESS:		
Advance against Depreciated written back	-	-
Provisions (Net gain)	-	-
Net Gain/Loss on sale of Investments	-	-
Adjusted Capital Contingency Charges from Subsidiary Companies	-	-
Dividend Income	-	-
Interest Income & Guarantee Fees (including Late Payment Surcharges)	-	-
Exchange rate variation (Gain)	-	-
Other Adjustments	-	-
Fair value Adjustments	-	-
Amortisation of Government Grants	-	-
Cash flow from Operating Activities before Operating Assets & Liabilities adjustments	(22.49)	(20.18)
Changes in Operating Assets and Liabilities:		
Receivables	-	-
Trade Receivables	-	-
Other Financial Assets, Loans and Advances	(49.81)	-
Other Financial Liabilities and Provisions	6,258.33	1,011.27
Regulatory Deferral Account Credit Balance	-	(1,004.62)
Cash flow from operating activities before taxes	5,846.79	6.49
Less: Taxes	5,824.20	(13.79)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	5,895.70	81.02
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Investment Property, 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	(10,607.18)	(10,325.88)
Sale of Assets	-	-
Net Investment in Term Deposits	-	-
Proceeds from Sale of Investment	-	-
Dividend Income	-	-
Interest Income & Guarantee Fees (including Late Payment Surcharges)	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(10,607.18)	(10,325.88)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue & Buyback of Equity Shares including Security Premium	29,381.00	44,500.00
Dividend Paid	-	-
Proceeds from Long Term Borrowings	30,000.00	-
Proceeds from Short Term Borrowings	28,000.00	-
Repayment of Borrowings	(20,000.00)	-
Interest & Finance Charges	(1,190.54)	-
Principal Repayment of Lease Liability	(128.56)	(78.88)
Interest paid on Lease Liability	(40.82)	(31.11)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	59,823.48	44,389.91
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	3,114.40	(2,644.79)
Cash & Cash Equivalents (Opening Balance)	794.17	3,834.34
Cash & Cash Equivalents (Closing Balance)	3,858.67	786.17

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





LANCO TEESTA HYDRO POWER LIMITED
(A Wholly Owned Subsidiary of NHPC Limited)
CIN : U40109TG2000GO034758

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

EXPLANATORY NOTES TO STATEMENT OF CASH

1. Cash and Cash equivalents consists of Cash in hand, cheques/hits 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:

	As at 31st March, 2023	As at 31st March, 2022
Balances with Banks:		
With scheduled Banks:		
- In Current Account	3,898.57	784.17
- In Deposits Account	-	-
(Deposits with original maturity of less than three months)	-	-
Cash on Hand	-	-
Cash and Cash equivalents	3,898.57	784.17

2. Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 1067.95 Lakhs (Previous year ₹ Nil) capitalised during the period on account of Expenditure attributable to construction (EAC).
3. Amount of undrawn short term inter-corporate loan as on 31.03.2023 : ₹ 9000.00 Lakhs (Previous Year ₹ Nil).
4. Company has incurred ₹ 7.77 Lakhs in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2023 (Previous Year ₹ Nil).

5. Reconciliation of liabilities arising from Financing Activities :

(Amount in Lakhs)

Particulars	31-03-2023	31-03-2022
Borrowings (Current & Non-Current)	81,363.88	-
Lease Liability	(298.50)	(329.77)
Net Debt	81,064.38	(329.77)

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
	Borrowings (Current & Non-Current)	Lease Liability	Total	Borrowings (Current & Non-Current)	Lease Liability	Total
Opening Net Debt as on 1st April	-	(329.77)	(329.77)	-	(285.93)	(285.93)
Proceeds from Borrowings	81,000.00	-	81,000.00	-	78.88	78.88
Repayment of Borrowings/Lease Liability	(20,000.00)	(128.54)	(20,128.54)	-	(202.82)	(202.82)
Interest paid	(1,187.04)	(40.92)	(1,227.95)	-	-	-
Other Non-Cash Movements	-	-	-	-	-	-
Increase in Lease Liability	-	100.05	100.05	-	31.11	31.11
Foreign exchange adjustments	-	-	-	-	-	-
Interest and Finance Charges	1,580.90	40.92	1,621.81	-	(31.11)	(31.11)
Fair value adjustments	-	-	-	-	-	-
Closing Net Debt as on 31st March	81,363.88	(298.50)	81,064.38	-	(329.77)	(329.77)

Accompanying notes to the Standalone Financial Statements

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In terms of our report of even date
For KGRS & CO
Chartered Accountants
Firm Registration No.: 310014E

For and on behalf of
Lanco Teesta Hydro Power Limited

Dhrubjit Debnath

(D. Debnath)
Partner
Membership No. 309841



Place: Balur, 580km
Date: 05th May 2023

(B. N. Upadhyay)
Director
DIN: 08250778

[Signature]
(B. P. Mukherjee)
CEO
PAN: AAAA/180735E

[Signature]
(Shashi Chandra)
CFO
PAN: ADCPC3571D

[Signature]
(A. K. Maitiyal)
Director
DIN: 08451983

[Signature]
(Tanus Aluja)
Company Secretary
M.No. A37826





Lanco Teesta Hydro Power Limited

(A Wholly Owned Subsidiary of NHPC Limited)
CIN: U40100NP0000004158

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2023

Particulars	(Amount in Lakhs)		(Amount in Lakhs)				
	Note No.	Amount	Capital Reserve	Share Application Money Pending Allotment	Capital Redemption Reserve	Bond Redemption Reserve	Surplus/Retained Earnings
A. EQUITY SHARE CAPITAL							
Particulars							
As at 1st April 2022	13.1	1,64,950.00					
Changes in Equity Share Capital due to prior period errors							
Restated balances as at 1st April 2022		1,64,950.00					
Change in Equity Share Capital during the year		28,391.00					
As at 31st March 2023	13.1	1,93,341.00					
B. OTHER EQUITY							
Balance as at 1st April, 2022		3,68,508.23					
Changes in accounting policy or error							
Restated balances as at 1st April 2022							
Profit for the year							
Other Comprehensive Income							
Total Comprehensive Income for the year							
Share Application Money received during the year							
Utilisation for issue of Equity Shares							
Transfer to Retained Earnings							
Amount transferred from Bond Redemption Reserve							
Tax on Dividend - Withheld							
Amount written back from Research & Development Fund							
Reserve							
Transfer from Retained Earnings							
Tax on Dividend							
Transfer to Bond Redemption Reserve							
Transfer to Research and Development Fund							
Transfer to General Reserve							
Balance as at 31st March 2023		3,68,508.23					

Accompanying notes to the Standalone Financial Statements

In terms of our report of even date

For NHPS & CO

Chartered Accountants

Firm Registration No. 319014E

Dr. Subir Chandra
(Dr. Subir Chandra)
Partner
Membership No. 309841

(S. H. Upadhyay)
(S. H. Upadhyay)
Director
CIN: 00250718

Place: Baitar, Bikaner
Date: 05th May 2023

For and on behalf of
Lanco Teesta Hydro Power Limited

(P. Mahesh)
(P. Mahesh)
CEO
PAN: AAAP0723E

(A. K. Nayyar)
(A. K. Nayyar)
Director
CIN: 09451183

(Shanku Chandra)
(Shanku Chandra)
CFO
PAN: A0CPC33710

(Tarun Ahuja)
(Tarun Ahuja)
Company Secretary
M.No. A31926





LANCO TEESTA HYDRO POWER LIMITED

(A Wholly Owned Subsidiary of NHPC Limited)

CIN: U40109TG2000GOI034758

NOTE NO. 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(I) Reporting entity

Lanco Teesta Hydro Power Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40109TG2000GOI034758). The Company is a wholly owned Subsidiary of NHPC Limited. The address of the Company's registered office is 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. The Company is primarily involved in the generation of hydroelectric 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 05th May 2023.

(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

The Ministry of Corporate Affairs, vide notification dated March 23, 2022 had notified the Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain Indian Accounting Standards. The summary of the major amendments and its impact on the Company are given hereunder:

(i) Ind AS 16 – Proceeds before intended use

The amendment prohibits an entity from recognising the excess of net sale proceeds of items produced over the cost of testing, in the Statement of Profit and Loss. Instead, the same shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments have no material impact on the financial statements of the Company.





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(ii) Ind AS 37 – Onerous Contract – Cost of fulfilling a Contract

The amendments specify that the "Cost of fulfilling" a contract comprises the "cost that relate directly to the Contract". Cost that relate directly to the Contract are both the incremental costs of fulfilling the contract (example: direct labour, material) and allocation of other costs that relate directly to fulfilling the contract.

This amendment is essentially in the nature of a clarification and does not have any material impact on the financial statements of the Company.

(iii) Ind AS 103: Business Combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments have no material impact on the financial statements of the Company.

(iv) Amendments/ revision in other standards are either not applicable or do not have any material impact on the financial statements.

(D) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakh (up to two decimals) except where indicated otherwise.

(E) Use of estimates and management judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures including contingent assets and contingent liabilities at the Balance Sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that may have the most significant effect on the amounts recognised in the financial statements are included in the following notes:





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Critical judgments and estimates

a) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116- Leases. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the customer has both of the following:

- a. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- b. the right to direct the use of the identified asset.

To control the use of an identified asset, a customer is required to have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use. A customer has the right to direct the use of an identified asset throughout the period of use if the customer has the right to direct how and for what purpose the asset is used throughout the period of use.

The Company also uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease. For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on a straight-line basis over the lease term. The respective leased assets are included in the Balance Sheet based on their nature.





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b) Useful life of Property, Plant and Equipment and Intangible Assets

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

Useful life of the assets used for generation of electricity is determined by the Central Electricity Regulatory Commission (CERC) Tariff Regulations as mentioned in part B of Schedule II of the Companies Act, 2013 except for construction plant and machinery and computers and peripherals which are in accordance with useful life as prescribed in Schedule II of the Companies Act, 2013 and mobile phones which are as per management assessment.

c) Recoverable amount of Property, Plant and Equipment, Capital Work in Progress and Intangible Assets

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

d) Post-retirement benefit plans

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

e) Revenue

The Company records revenue from sale of power based on Tariff approved by the CERC, as per the principles of Ind AS 115- *Revenue from Contracts with Customers*. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, where tariff is pending revision due to revision in cost estimates, tariffs are computed based on the parameters and methods prescribed under the CERC Tariff Regulations and an estimated amount of revenue is recognised when an application is made to the CERC after obtaining necessary approvals to the extent it is highly probable that there will be no downward adjustment to the revenue recognised.

f) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has been made on the basis of best judgment by management regarding probable outflow of economic resources. Such estimation can change due to unforeseeable developments.





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g) Recoverable Amount of Rate Regulated Assets

The operating activities of the Company are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation and maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the Statement of Profit and Loss in accordance with Ind AS. The Company estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations 2019-24. However, 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 and Equipment, Capital Work in Progress is based on estimates and assumptions as per terms and conditions of insurance policies.

K) Cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs)

The cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) are measured as per Management estimate.

(III) SIGNIFICANT ACCOUNTING POLICIES:

Summary of the significant accounting policies for the preparation of financial statements as given below have been applied consistently to all periods presented in the financial statements. These accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. These policies need not be applied when the effect of applying them is immaterial.

Up to March 31, 2015, Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Investment Property were carried in the Balance Sheet in accordance with Indian GAAP. The Company had elected to avail the exemption granted by IND AS 101, "First time adoption of IND AS" to regard those amounts as the deemed cost at the date of transition to IND AS (i.e., as on April 1, 2015). Therefore, the carrying amount of property, plant and equipment, Capital Work in Progress, intangible assets and Investment Property as per the previous GAAP as at April 1, 2015, were maintained on transition to Ind AS.





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1.0 Property, Plant and Equipment (PPE)

- a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.
- c) Expenditure incurred on renovation and modernization of power station on completion of the originally estimated useful life of the power station is added to the cost of the related asset when it meets the recognition criteria. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.
- d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on environment management plans relatable to land in possession are treated as cost of land.
- f) Assets over which the Company has control, though created on land not belonging to the Company, are included under Property, Plant and Equipment.
- g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.
- h) Spares parts (procured along with the Plant and Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores and spares" forming part of inventory.
- i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.
- j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

2.0 Capital work in Progress (CWIP)

- a) Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.





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- 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 and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Investment Property

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

Transfers to or from investment property is made when and only when there is a change in use supported by evidence.

4.0 Intangible Assets and Intangible Assets under Development

- a) Expenditure on research is charged to expenditure as and when incurred. Expenditure on development is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.
- b) Intangible assets that are acquired by the Company and which have finite useful lives, are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- c) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.
- d) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.





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5.0 Foreign Currency Transactions

- a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each reporting date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.
- b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.
- c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.
- d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after April 1, 2016 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' 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.





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7.0 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

8.0 Investments in subsidiaries and joint ventures

Investments in equity shares of subsidiaries and joint ventures are carried at cost less impairment, if any.

9.0 Financial assets other than investment in subsidiaries and joint ventures

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual right to receive cash or another financial asset or to exchange financial asset or financial liability under conditions that are potentially favourable to the Company. A financial asset is recognized when and only when the Company becomes party to the contractual provisions of the instrument.

Financial assets of the Company comprise Cash and Cash Equivalents, Bank Balances, Investments in equity shares of companies other than in subsidiaries and joint ventures, Trade Receivables, Loan to employees, security deposit, claims recoverable etc.





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a) Classification

The Company classifies its financial assets in the following categories:

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit and loss

The classification depends on the following:

- (a) The entity's business model for managing the financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses are either recorded in the Statement of Profit and Loss or under Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

b) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

The Company measures trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

c) Subsequent measurement

Debt instruments at amortised cost

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

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)

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





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

ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments at fair value through Other Comprehensive Income are measured at each reporting date at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in other income using the EIR method.

Equity investments:

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading, if any, are classified at Fair Value through Profit or Loss (FVTPL). The Company classifies all other equity instruments at FVTOCI. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

All fair value changes of an equity instrument classified at FVTOCI, are recognized in OCI. There is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends from such investments are recognised in the Statement of Profit and Loss as "other income" when the company's right to receive payments is established.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Trade Receivables:

Trade receivables containing a significant financing component are subsequently measured at amortised cost using the effective interest method.

d) Derecognition

A financial asset is derecognised only when;

- The Company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition, the difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.





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e) Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- i) Financial assets that are debt instruments, and are measured at amortised cost.
- ii) Financial assets that are debt instruments and are measured as at FVTOCI
- iii) Contract Assets and Trade Receivables under Ind AS 115- *Revenue from Contracts with Customers*
- iv) Lease Receivables under Ind AS 116- *Leases*.

The Company follows the 'simplified approach' permitted under Ind AS 109, "Financial Instruments" for recognition of impairment loss allowance based on life time expected credit loss from initial recognition on contract assets, lease receivables and trade receivables resulting from transactions within the scope of Ind AS 116 and Ind AS 115.

For recognition of impairment loss on other financial assets, the Company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognize impairment loss allowance based on 12-month ECL. The amount of expected credit loss/ reversal for the period is recognized as expense/ income in the Statement of Profit and Loss.

10.0 Inventories

Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipment and are valued at cost or net realizable value (NRV) whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Scrap is valued at net realisable value.

Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) are valued at lower of cost and net realizable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs.

11.0 Dividends

Final dividends and interim dividends payable to the Company's shareholders are recognised as change in equity in the period in which they are approved by the Company's shareholders and the Board of Directors respectively.

12.0 Financial liabilities

Financial liabilities of the Company are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans and borrowings, trade and other payables.





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a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

b) Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

d) Offsetting of financial instruments

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

e) Derivative financial instruments

Derivative financial instruments that are held by the Company to hedge the foreign currency and interest rate risk exposures and are not designated as hedges are accounted for at fair value through profit or loss. Changes in fair value are recognised in the Statement of Profit and Loss.

13.0 Government Grants

- a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.





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- b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the company will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.
- c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

14.0 Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision net of any reimbursement is presented in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

- b) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.
- c) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

15.0 Revenue Recognition and Other Income

Company's revenues arise from sale and trading of energy, project management / construction contracts/ consultancy assignment services and other income. Revenue from other income comprises interest from banks, employees, contractors etc., dividend from investments in joint ventures and subsidiary companies, dividend from investments in equity in other bodies corporate, interest from investment in bonds, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.





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a) Revenue from sale of power

- i) Revenue is measured at 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 (or as) the performance obligation is satisfied, which typically occurs when (or as) it transfers control over the products or services to a customer.
- ii) Revenue from sale of power (except minimum lease receipts in respect of power stations considered as Finance Lease/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 2019 as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In the case of Power Stations where provisional/final tariff is yet to be notified or where incentives/disincentives are chargeable/ payable as per CERC (Terms & Conditions of Tariff) Regulations, revenue is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue.
- iii) Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed (unbilled revenue).
- iv) Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are recognised on year to year basis based on regulatory norms. Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.
- v) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.
- vi) Advance Against Depreciation (AAD) considered as deferred income up to 31st March 2009 is included in sales on straight line basis over the balance useful life after a period of 12 years from the date of commercial operation of the Power Station.

b) Revenue from Project Management / Construction Contracts/ Consultancy assignments

- i) Revenue from Project Management / Construction Contracts/ Consultancy assignments is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Company recognises revenue on the basis of input method. Input method recognises revenue on the basis of the costs incurred towards the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation.





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- 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.





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e) Revenue from sale of carbon credits/ CERs/VERs

Revenue is recognized on transfer/ sale of Carbon Credits/ Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) to the extent it is highly probable that a significant reversal in the amount of revenue recognized will not occur in the future.

16.0 Employee Benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided.

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

ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trusts and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction from future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Employees Defined Contribution Superannuation Scheme (EDCSS) for providing pension benefits and Social Security Scheme administered through separate trusts are accounted for as defined contribution plans.

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Gratuity Scheme, Retired Employees Health Scheme (REHS), Provident Fund Scheme, Allowance on Retirement/Death, Memento on Superannuation to employees and Employees Family Economic Rehabilitation Scheme are in the nature of defined benefit plans. All these plans, other than Allowance on Retirement/Death, Memento on Superannuation to employees and Employees Family Economic Rehabilitation Scheme 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.





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The defined benefit obligation is calculated annually by the actuary using the Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion.

Remeasurement gains (except in the case of Provident Fund Scheme) and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in Other Comprehensive Income in the period in which they occur and are included in retained earnings in the Statement of Changes in Equity.

iv) Other long-term employee benefits

Benefits under the Company's leave encashment scheme constitute other long term employee benefits.

The Company's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the Projected Unit Credit Method. Contributions to the scheme and actuarial gains or losses are recognised in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the period in which they arise.

v) Termination benefits

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to the Statement of Profit and Loss in the year of incurrence of such expenses.

17.0 Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 - 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 116- 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur.





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When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

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

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

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

18.0 Depreciation and amortization

- a) Depreciation on additions to /deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- b) (i) Depreciation on Property, Plant and Equipment of Operating Units of the Company capitalized till five years before the end of the useful life of the Power Station is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).
(ii) Depreciation on Property, Plant and Equipment capitalized during the last five years of the useful life of a Power Station is charged on straight-line method for the period of extended life as per CERC Tariff Regulations/Orders, from the date on which such asset becomes available for use.
(iii) Where the life and / or efficiency of a Power Station is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively on straight-line method over the revised / remaining useful life.
- c) i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).
ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.
- d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the useful life and residual value (5%) given in the Schedule II of the Companies Act, 2013:
 - Construction Plant and Machinery
 - Computer and Peripherals





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- 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%.
- iv) Based on technical assessment by management, depreciation on furniture & other equipment provided at residential office of employees is charged on straight line basis over a period of 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 up to Rs. 750/- are not capitalized and charged off to expenditure in the year of use.
- h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.
- i) Leasehold Land and buildings, of units other than operating units, is amortized over the period of lease or 40 years, whichever is lower.
- j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.
- k) Right to use in respect of land is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.
- l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.
- m) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.
- n) Spare parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.
- o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance useful life of the asset, wherever required.





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19.0 Impairment of non-financial assets other than inventories

- a) The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.
- b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.
- c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.
- d) In case a project under survey and investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.
- e) Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

20.0 Income Taxes

Income tax expense comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax is the expected tax payable on the taxable income for the year on the basis of the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years (temporary differences) and it further excludes items that are never taxable or deductible (permanent differences).





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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.





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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.
- c) The Company has a single geographical segment as single Construction Project which is located within the Country.

23.0 Leases

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.





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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. Assessment of impairment is done using the principles of Ind AS 36- Impairment of Assets as given in Significant Accounting Policy No. 19.0 above.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or when a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as a separate line item on the face of the balance sheet.





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The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease receipts are identified by segregating the embedded lease receipts from the contract amounts (including Advance Against Depreciation (AAD) recognised in accordance with CERC Tariff regulations 2004-09 up to 31st March 2009 and considered as deferred income). Each lease receipt is allocated between the receivable and finance lease income (forming part of revenue from operations) so as to achieve a constant rate of return on the Lease Receivable outstanding.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of Ind AS 109- Financial Instruments, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115- *Revenue from Contracts with Customers* to allocate the consideration in the contract.

In the case of Operating Leases or embedded operating leases, the lease income from the operating lease is recognised in revenue over the lease term to reflect the pattern of use benefit derived from the leased asset. The respective leased assets are included in the Balance Sheet based on their nature and depreciated over its economic life.

24.0 Business combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Where the fair value of net identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve. Acquisition related costs are expensed as incurred.





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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

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

- 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





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- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

29.0 Miscellaneous

- a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.
- b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending transfer of ownership, inspection and acceptance by the Company.

(IV) Recent accounting pronouncements: Standards issued but not yet effective

Vide notification dated March 31, 2023, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards, and are effective from April 1, 2023. The summary of the major amendments and its impact on the Company are given hereunder:

- i) **Ind AS 1 – Presentation of financial statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment on the Company's financial statements is insignificant.
- ii) **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on the Company's financial statements.
- iii) **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on the Company's financial statements.
- iv) Amendments/ revision in other standards (IND AS 101, IND AS 102, IND AS 103, IND AS 107, IND AS 109 and IND AS 115) are either not applicable or do not have any material impact on the Company's financial statements.





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Notes forming part of the financial statements as on 31st March, 2023

(Nos in Lakhs)
(Amount in Lakhs)

NOTE : 15.1 EQUITY SHARE CAPITAL

PARTICULARS	As at 31st March, 2023		As at 31st March, 2022	
	Nos	Amount	Nos	Amount
Authorized Share Capital (Par value per share Rs. 10)	25,000.00	2,50,000.00	25,000.00	2,50,000.00
Equity shares issued, subscribed and fully paid (Par value per share Rs. 10)	17,244.10	1,72,441.00	14,405.00	1,44,050.00

15.1.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Opening Balance	14,405.00	1,44,050.00	9,705.00	97,050.00
Add: No. of shares/Share Capital issued/ subscribed during the year	2,839.10	28,391.00	4,700.00	47,000.00
Closing Balance	17,244.10	1,72,441.00	14,405.00	1,44,050.00

15.1.2 The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.1.3 Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held :-

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	In (%)	Number	In (%)
NHPC Limited	17,244.10	100.00%	14,405.00	100.00%

15.1.4 Shareholding of Promoters as at 31st March 2023

Promoter Name	No. of Shares	% of Total Shares	% Change during the year
NHPC Limited	17,244.10	100%	0%

15.1.5 Shareholding of Promoters as at 31st March 2022

Promoter Name	No. of Shares	% of Total Shares	% Change during the year
NHPC Limited	14,405.00	100%	0%





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Notes forming of the financial statements as on 31st March, 2023

NOTE NO. 15.2 OTHER EQUITY

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
(i)	Share Application Money Pending Allotment		
	As per last Balance Sheet	-	2,500.00
	Add: Received During The Year	28,391.00	44,500.00
	Less: Shares Issued during the Year	28,391.00	47,000.00
	As at Balance Sheet date	-	-
(ii)	Capital Reserve		
	As per last Balance Sheet	3,68,508.23	3,68,508.23
	Add: Transfer from Surplus/Retained Earnings	-	-
	Less: Transfer to Capital Redemption Reserve	-	-
	As at Balance Sheet date	3,68,508.23	3,68,508.23
(iii)	Surplus/ Retained Earnings		
	As per last Balance Sheet	(3,64,462.13)	(3,64,441.95)
	Add: Profit during the year	(22.49)	(20.19)
	Add: Other Comprehensive Income during the year	-	-
	Add: Transfer from Bond Redemption Reserve	-	-
	Less: Dividend (Final and Interim)	-	-
	Less: Tax on Dividend	-	-
	Less: Transfer to Bond Redemption Reserve	-	-
	Less: Transfer to General Reserve	-	-
	As at Balance Sheet date	(3,64,484.62)	(3,64,462.13)
	TOTAL	4,023.61	4,046.10
15.2.1 Nature and Purpose of Reserves			
(i)	Capital Reserve: Due to implementation of resolution plan the Company recognised the net effect of transactions amounting to Rs. 3685.08 Lakh in Capital Reserve.		
(ii)	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.		



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CIN : U40109TG2000GCI034759
Notes forming part of the financial statements as on 31st March 2023

NOTE NO. 2.1 Property, Plant and Equipment as on 31.3.2023

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-Apr-2022		Additions		Deductions		As at 31st March, 2023		As at 31st March, 2023	
				INT	Others	INT	Others			As at 31st March, 2023	As at 31st March, 2022
i)	Land - Freehold	-	-	-	-	-	-	-	-	-	-
ii)	Buildings	268.13	-	-	837.22	-	-	1037.22	-	87.86	749.36
iii)	Railways	-	-	-	93.79	-	-	93.79	-	39.98	323.46
iv)	Railway station	-	-	-	-	-	-	-	-	-	-
v)	Hydraulic Works (Dams, Water Conductor system, Hydre mechanical gates, tunnels)	-	-	-	-	-	-	-	-	-	-
vi)	Generating Plant and machinery	-	-	-	-	-	-	-	-	-	-
vii)	Plant and machinery	-	-	-	-	-	-	-	-	-	-
viii)	Sub station	-	-	-	-	-	-	-	-	-	-
ix)	Plant and machinery Transmission lines	37.50	-	-	-	-	-	37.50	-	4.27	33.23
x)	Plant and machinery Others	3.15	-	-	22.18	-	-	25.33	-	1.64	23.79
xi)	Construction Equipment	9.45	-	-	-	-	-	9.45	-	1.23	8.22
xii)	Water supply system/Drainage and Sewerage	-	-	-	-	-	-	-	-	-	-
xiii)	Electrical Installations	-	-	-	-	-	-	-	-	-	-
xiv)	Vehicles	-	-	-	-	-	-	-	-	-	-
xv)	Aircraft/Buys	-	-	-	-	-	-	-	-	-	-
xvi)	Furniture and Fixture	46.15	-	-	56.11	-	-	102.26	-	17.92	84.34
xvii)	Computers	20.20	-	-	76.69	-	-	96.89	-	50.60	46.29
xviii)	Communication Equipment	0.12	-	-	0.11	-	-	0.23	-	0.01	0.22
xix)	Office Equipments	17.15	-	-	73.10	-	-	90.25	-	23.43	66.82
	Total	513.87	-	-	316.32	-	-	830.19	(10.00)	222.96	607.23
	Previous year	404.79	-	-	310.13	-	-	714.92	0.01	434.92	364.91





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CIN : U40100TG20050304758
Notes forming part of the financial statements as on 31st March, 2023

NOTE NO. 2.5: Intangible Assets

Sl. No.	PARTICULARS	GROSS BLOCK				AMORTISATION				(Amount in Lakhs)	
		Additions		Deductions		For the year	Adjustments	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
		Int	Others	Int	Others						
I	Computer Software	-	-	-	1.16	-	-	16.13	9.30	16.13	9.30
	Previous year	22.55	3.16	-	-	8.57	-	16.13	9.30	16.13	9.30
	Total	22.55	3.16	-	-	8.57	-	16.13	9.30	16.13	9.30
		0.13	32.41	-	-	7.51	-	7.96	14.99	7.96	14.99

Note : 2.5.1 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-1 to this Note.



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CIN : U40109TG2000GO0034758

Notes forming part of the financial statements as on 31st March, 2023

Annexure-I to NOTE NO. 2.1 Property, Plant and Equipment

Annexure-I to NOTE NO. 2.1 Property, Plant and Equipment													(Amount in Lakhs)	
Sl. No.	PARTICULARS	GROSS BLOCK						As at 31st March, 2023	As at 01-Apr-2022	Other Adjustment \$	DEPRECIATION		NET BLOCK	
		Additions		Deductions		As at 31st March, 2023	For this year				Adjustments	As at 31st March, 2023	As at 31st March, 2022	
		IUT	Others	IUT	Others									
ii	Land - Freehold	-	-	-	-	-	-	-	-	-	-	-	-	
iii	Roads and Bridges	-	637.22	-	-	637.22	-	-	-	-	87.86	740.36	-	
iv	Buildings	-	85.29	-	-	363.44	29.04	-	-	59.58	373.46	239.10	-	
v	Railway sidings	-	-	-	-	-	-	-	-	-	-	-	-	
vi	Hydraulic Works/Dams, Water Conducing system, Hydro mechanical Generating Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-	
vii	Plant and machinery Sub station	-	-	-	-	-	-	-	-	-	-	-	-	
viii	Plant and machinery Transmission lines	-	37.50	-	-	37.50	2.29	-	(0.00)	4.77	33.21	35.21	-	
ix	Plant and machinery Others	-	22.28	-	-	25.43	0.48	-	(0.00)	1.04	23.79	2.07	-	
x	Circulation Equipment	-	-	-	-	9.43	0.51	-	-	1.23	8.21	8.04	-	
xi	Water Supply Systems/Drainage and Electrical installations	-	-	-	-	-	-	-	-	-	-	-	-	
xii	Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	
xiii	Aircraft Boats	-	-	-	-	-	-	-	-	-	-	-	-	
xiv	Furniture and Fixture	-	50.11	-	-	104.70	8.00	-	-	10.37	87.33	98.59	-	
xv	Computers	-	28.09	-	-	148.29	21.83	-	-	34.76	89.48	48.35	-	
xvi	Communication Equipment	-	0.11	-	-	0.23	0.00	-	-	0.01	0.22	0.12	-	
xvii	Office Equipments	-	73.18	-	-	150.45	14.03	-	(0.00)	9.40	126.83	63.22	-	
	Total	-	1,463.73	-	-	1,876.72	77.13	-	(0.00)	234.60	1,442.11	436.32	-	
	Previous year	-	110.12	-	-	513.51	40.20	-	0.01	77.19	436.32	364.59	-	



Annexure-I to NOTE NO. 2.5 Intangible Assets

Sl. No.	PARTICULARS	GROSS BLOCK					AMORTISATION			NET BLOCK	
		As at 01-Apr-2022	Additions		Deductions		As at 01-Apr-2022	For the year Adjustments	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
			IUT	Others	IUT	Others					
ii	Computer Software	22.55	-	3.16	-	-	7.56	8.57	16.13	9.58	14.99
	Total	22.55	-	3.16	-	-	7.56	8.57	16.13	9.58	14.99
	Previous year	0.13	-	22.41	-	-	0.04	7.51	7.56	14.99	0.09



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Notes forming part of the financial statements as on 31st March 2023

NOTE NO. 2.3 RIGHT OF USE ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
		As at 01-Apr-2022	Additions		Other Adjustments	As at 31st March, 2023	For the year	As at 31st March, 2023	As at 31st March, 2022
			INT	Others					
i)	Land - Leasehold	444.03	-	159.86	-	603.89	153.81	300.47	204.42
ii)	Building Under Lease	-	-	-	-	-	-	-	-
iii)	Construction Equipment	-	-	-	-	-	-	-	-
iv)	Vehicles	-	-	-	-	-	-	-	-
v)	Land-Right to Use	1,664.64	-	5.85	-	1,670.49	-	1,654.79	1,664.64
	Total	2,108.60	159.86	5.85	-	2,263.66	153.81	300.40	1,999.06
	Previous year	1,918.80	349.50	57.95	-	2,108.66	101.39	149.60	1,053.93

Notes:-

2.3.1 (a) Title deed/Lease deed/Mutation in respect of leasehold land not held in name of the Company as on 31st March 2023:-

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value	Title Deed/Lease Deeds held in the name of	Whether this deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Right of Use Assets-Land Leasehold	Short Term Lease Land for Plot No. 258637 for the period of 3.5 Years (Area 0.2250 hectare)	18.42	Sh. Jagannath Chatterjee	Nil	01-Nov-22	Registration of Lease Agreement in the name of Company is under process at the Office of Sub Registrar, Nandoli District.

(b) Title deed/Lease deed/Mutation in respect of leasehold land not held in name of the Company as on 31st March 2023:-

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value	Title Deed/Lease Deeds held in the name of	Whether this deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Right of Use Assets-Land Leasehold				Nil		

c) Land-Right of use includes forest land which is diverted by the State Forest Department only for use by project.

2.3.2 Note: Lease Agreement and Mutation in respect of Land-Right to Use covering an area of 0.952 hectare (Previous period 0.952 hectare) was yet to be executed.





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Notes forming part of the financial statements as on 31st March, 2023

Annexure-I to NOTE NO. 2.3 RIGHT OF USE ASSETS

(Amount in Lakhs)

Sl. No.	PARTICULARS	GROSS BLOCK						DEPRECIATION			NET BLOCK		
		As at 01-Apr-2022	Additions		Deductions		Other Adjustments	As at 31st March, 2023	As at 01-Apr-2022	For the year	Adjustments	As at 31st March, 2023	As at 31st March, 2022
			IUT	Others	IUT	Others							
i)	Land Leasehold	444.01	-	159.86	-	-	-	603.88	149.60	153.81	-	303.40	294.42
ii)	Building Under Lease	-	-	-	-	-	-	-	-	-	-	-	-
iii)	Construction Equipment	-	-	-	-	-	-	-	-	-	-	-	-
iv)	Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
v)	Land-Right to Use	1,664.64	-	-	-	5.86	-	1,658.79	-	-	-	1,658.79	1,664.64
	Total	2,108.66	-	159.86	-	5.86	-	2,262.66	149.60	153.81	-	303.40	1,959.06
	Previous year	1,916.60	-	249.90	-	57.85	-	2,108.66	62.67	101.39	(14.46)	149.60	1,853.93





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Notes forming part of the financial statements as on 31st March, 2023

Note No. 2.2 Capital Work In Progress

(Amount in Lakhs)

S.No	Particulars	As at 01-Apr-2022	Addition	Adjustment	Capitalised	As at 31st March, 2023
i)	Roads and Bridges	4,817.74	-	(628.88)	837.22	3,153.63
ii)	Buildings	7,517.28	2,544.83	2,766.27	95.29	12,733.09
iii)	Building-Under Lease	-	-	-	-	-
iv)	Railway sidings	-	-	-	-	-
v)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	90,778.32	69,994.48	(1,312.92)	-	1,59,459.98
vi)	Generating Plant and Machinery	20,317.74	8,084.56	(630.65)	0.03	27,771.71
vii)	Plant and Machinery - Sub station	-	-	-	-	-
viii)	Plant and Machinery - Transmission lines	340.26	-	-	-	340.26
ix)	Plant and Machinery - Others	-	-	-	-	-
x)	Construction Equipment	-	-	-	-	-
xi)	Water Supply System/Drainage and Sewerage	-	4.32	-	-	4.32
xii)	Computers	-	-	-	-	-
xiii)	Communication Equipment	-	-	-	-	-
xiv)	Office Equipments	-	-	-	-	-
xv)	Assets awaiting installation	5.68	245.54	-	220.86	30.36
xvi)	CWIP - Assets Under 5 Km Scheme Of the GOI	-	-	-	-	-
xvii)	Survey, investigation, consultancy and supervision charges	628.00	4.44	6.08	-	638.53
xviii)	Expenditure on compensatory Afforestation	-	-	-	-	-
xix)	Expenditure attributable to construction (Refer Note- 32)	6,068.42	4,566.27	-	-	10,634.69
	Less: Capital Work in Progress Provided (Refer Note 2.2.4)	-	-	-	-	-
	Sub total (a)	1,30,473.43	85,444.54	(0.99)	1,153.41	2,14,764.57
	Construction Stores	0.32	-	(0.32)	-	-
	Less : Provisions for construction stores	-	-	-	-	-
	Sub total (b)	0.32	-	(0.32)	-	-
	TOTAL	1,30,473.75	85,444.54	(0.32)	1,153.41	2,14,764.57
	Previous year	96,387.06	34,090.04	(3.34)	-	1,30,473.75

2.2.1 (a) CWIP aging schedule as on 31st March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	84,290.81	34,086.70	3,292.43	93,094.63	2,14,764.57
Projects temporarily Suspended	-	-	-	-	-
Total	84,290.81	34,086.70	3,292.43	93,094.63	2,14,764.57

(b) CWIP Completion Schedule as on 31st March 2023 for delayed projects

CWIP	To be Completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	-	-	-	-	-
Total	-	-	-	-	-

2.2.2 (a) CWIP aging schedule as on 31st March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	34,086.70	3,292.43	1,194.21	91,900.42	1,30,473.75
Projects temporarily Suspended	-	-	-	-	-
Total	34,086.70	3,292.43	1,194.21	91,900.42	1,30,473.75

(b) CWIP Completion Schedule as on 31st March 2022 for delayed projects

CWIP	To be Completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	-	-	-	-	-
Total	-	-	-	-	-

2.2.3 Expenditure attributable to Construction (EAC) includes ₹ 1560.90 Lakhs (Previous year ₹ Nil) towards borrowing cost capitalised during the year.





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Note no. 2.6 Intangible Assets Under Development

(Amount in Lakhs)

S.No	Particulars	Linkage	As at 01-Apr-2022	Addition	Adjustment	Capitalised	As at 31st March, 2023
(i)	Computer Software Under Development	432201	-				-
	TOTAL		-	-	-	-	-
	Previous year						-
2.6.1 Intangible Assets under Development aging schedule as on 31st March 2023							
	Intangible Assets under Development	Amount in CWIP for a period of					Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		
	Projects in Progress						-
	Projects temporarily Suspended						-
	Total	-	-	-	-		-
2.6.2 Intangible Assets under Development Completion Schedule as on 31st March 2023							
	Intangible Assets under Development	To be Completed in					Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		
							-
	Total	-	-	-	-		-
2.6.3 Intangible Assets under Development aging schedule as on 31st March 2022							
	Intangible Assets under Development	Amount in CWIP for a period of					Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		
	Projects in Progress						-
	Projects temporarily Suspended						-
	Total	-	-	-	-		-
2.6.4 Intangible Assets under Development Completion Schedule as on 31st March 2022							
	Intangible Assets under Development	To be Completed in					Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		
							-
	Total	-	-	-	-		-





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NOTE NO. 3.1 NON-CURRENT - FINANCIAL ASSETS - INVESTMENTS (Amount in Lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
TOTAL		

NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLES (Amount in Lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables - Considered Good- Unsecured	-	-
TOTAL	-	-

Refer Annexure-1 to Note No-3.2 for Ageing schedule of Trade Receivables.

NOTE NO. 3.3 NON-CURRENT - FINANCIAL ASSETS - LOANS (Amount in Lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A At Amortised Cost		
Loan to Related Party (including interest thereon) - Considered good- Unsecured	-	-
Sub-total	-	-
B Loans to Employees (Refer Note 3.3.2)		
- Considered good- Secured	-	-
- Considered good- Unsecured	-	-
- Credit Impaired- Unsecured	-	-
Less : Loss Allowances for doubtful Employees loans (Refer Note 3.3.3)	-	-
Sub-total	-	-
TOTAL	-	-
3.3.1 Loans and advances in the nature of loan that are repayable on demand.		
Loans and advances in the nature of loan that are without specifying any terms or period of repayment.		
*Detail of Repayment:-		
* Represents loan granted for business purpose.		
3.3.2 Due from directors or other officers of the company.		
3.3.3 Loss Allowances for doubtful Employees loans		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	-
Closing balance	-	-
3.3.4 Loss Allowances for doubtful advances to Contractor/ Supplier		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	-
Closing balance	-	-
3.3.5 Loss Allowances for doubtful Loan to State Government		
Opening Balance	-	-
Addition during the year	-	-
Closing balance	-	-





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3.3.6	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.
3.3.7	Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.

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

(Amount in Lakhs)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	Security Deposits		
	- Considered good- Unsecured	-	-
	- Credit Impaired- Unsecured	-	-
	Less : Loss Allowances for Doubtful Deposits (Refer Note 3.4.1)	-	-
	Sub-total	-	-
B	Bank Deposits with more than 12 Months Maturity	-	-
	TOTAL	-	-
3.4.1	Loss Allowances for Doubtful Deposits		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
3.4.2	Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.		

NOTE NO. 4 NON CURRENT TAX ASSETS (NET)

(Amount in Lakhs)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Advance Income Tax including Tax Deducted at Source	-	-
	Less: Provision for Current Tax	-	-
	Non Current Tax (Refer Note No-23)	192.24	81.02
	TOTAL	192.24	81.02

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(Amount in Lakhs)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A.	CAPITAL ADVANCES		
	- Considered good- Secured	11,528.68	6,293.87
	- Considered good- Unsecured	-	-
	- Against bank guarantee	10,926.59	11,742.42
	- Others	4,701.05	1,832.30
	Less : Expenditure booked pending utilisation certificate	-	-
	- Considered doubtful - Unsecured	13,537.79	13,537.79
	Less : Allowances for doubtful advances (Refer Note 5.1)	13,537.79	13,537.79
	Sub-total	27,156.31	19,868.58
B. i)	ADVANCES OTHER THAN CAPITAL ADVANCES DEPOSITS		
	- Considered good- Unsecured	-	-
	Less : Expenditure booked against demand raised by Government Departments	-	-
	- Considered doubtful - Unsecured	-	-
	Less : Allowances for Doubtful Deposits (Refer Note 5.2)	-	-
	Sub-total	-	-





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C	Interest accrued		
	Others		
	- Considered Good	-	-
D.	Others		
I)	Advance against arbitration awards towards capital works (Unsecured)		
	Released to Contractors - Against Bank Guarantee	-	-
	Released to Contractors - Others	-	-
	Deposited with Court	-	-
	Sub-total	-	-
II)	Prepaid Expenditure	-	-
III)	Deferred Foreign Currency Fluctuation Assets/		
	Deferred Foreign Currencies Fluctuation Assets	-	-
	Deferred Expenditure on Foreign Currency Fluctuation	-	-
	Sub-total	-	-
IV)	Deferred Cost on Employees Advances	-	-
	TOTAL	27,156.31	19,868.58
5.1	Provision for doubtful Advances		
	Opening Balance	13,537.79	13,537.79
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	13,537.79	13,537.79
5.2	Provision for doubtful Deposits		
	Opening Balance	-	-
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
5.3	Advances due from Directors or other officers at the end of the year	-	-
5.4	Advances due by Firms or Private Companies in which any director of the Company is a director or member	-	-
5.5	Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.		

NOTE NO. 6 INVENTORIES

(Amount in Lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Valued at lower of Cost or Net Realisable Value)		
Stores and spares	-	-
Stores and spares-Stores in transit/ pending inspection	-	-
Loose tools	-	-
Scrap inventory	-	-
Material at site	-	-
Material issued to contractors/ fabricators	-	-
Carbon Credits / Certified Emission Reductions (CERs) / Verified Carbon Units (VCUs)	-	-
Less: Allowances for Obsolescence and Diminution in Value (Refer Note 6.1)	-	-
TOTAL	-	-
6.1 Allowances for Obsolescence and Diminution in Value:		
Opening Balance	-	-
Addition during the year (Refer Note 6.1.1)		
Used during the year		
Reversed during the year		
Closing balance	-	-





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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.	-	-
6.1.2	Allowances for Obsolescence and Diminution in value of inventory booked in earlier years and reversed during the year.	-	-

NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES (Amount in Lakhs)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	- Trade Receivables- Considered Good- Unsecured (Refer Note 7.2, 7.3 and 7.4)	-	-
	- Trade Receivables-Unbilled- Considered Good- Unsecured (Refer Note 7.4)	-	-
	- Trade Receivables- Credit Impaired (Refer Note 7.2, 7.3 and 7.4)	-	-
	Less: Loss allowances for Trade Receivables (Refer Note 7.1)	-	-
	TOTAL	-	-
7.1	Loss allowances for Trade Receivables		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
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	-	-
7.3	Debt due by subsidiaries/ joint Ventures and others related parties of the company at point 7.2 above.	-	-
7.4	Refer Annexure-I to Note No-7 for Ageing schedule of Trade Receivables.		
7.5	Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.		
7.6	Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.		

NOTE NO. 8 FINANCIAL ASSETS - CURRENT - CASH AND CASH EQUIVALENTS (Amount in Lakhs)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	Balances with banks		
	With scheduled banks		
i)	- In Current Account	3,898.57	784.17
ii)	- In deposits account		
	(Deposits with original maturity of less than three		
	With other banks		
	- In current account	-	-
B	Cheques, drafts on hand	-	-
C	Cash on hand (Refer Note 8.1)	-	-
	TOTAL	3,898.57	784.17
8.1	Includes stamps on hand	-	-





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(Amount in Lakhs)

NOTE 9 : FINANCIAL ASSETS - CURRENT - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
A	Bank Deposits for original maturity more than 3 months upto 12 months	-	8.62
B	Deposit-Unpaid Dividend	-	-
C	Deposit-Unpaid Interest	-	-
D	Other Earmarked Balances with Banks	-	-
TOTAL		-	8.62

NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
A	Loan (Including interest thereon) to Related Party - Unsecured (considered good)	-	-
	Loan Receivable - Unsecured (Considered Good)	-	-
	Loan Receivable-Credit Impaired - Unsecured	-	-
	Less : Loss Allowances for doubtful loan to Related Party (Refer Note 10.4)	-	-
	Sub-total	-	-
B	Employees Loan (including accrued interest) (Refer Note 10.3)	-	-
	- Loans Receivables- Considered good- Secured	-	-
	- Loans Receivables- Considered good- Unsecured	1.25	2.60
	- Credit Impaired- Unsecured	-	-
	Loss Allowances for doubtful Employees loans (Refer Note 10.5)	-	-
	Sub-total	1.25	2.60
TOTAL		1.25	2.60
10.1	Loans and advances in the nature of loan that are repayable on demand.		
	Loans and advances in the nature of loan that are without specifying any terms or period of repayment.		
	*Detail of Repayment:-		
	*Represents loan granted for business purpose.		
10.2	Due from directors or other officers of the company.		
10.3	Loss Allowances for doubtful loan to Related Party		
	Opening Balance	-	-
	Addition during the year	-	-
	Used during the year	-	-
	Reversed during the year	-	-
	Closing balance	-	-
10.4	Loss Allowances for doubtful Employees loans		
	Opening Balance	-	-
	Addition during the year	-	-
	Used during the year	-	-
	Reversed during the year	-	-
	Closing balance	-	-
10.5	Advance due by firms or private companies in which any Director of the Company is a Director or member.		
10.6	Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 10 above.		
10.7	Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.		





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NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
A	Security Deposits		
	- Considered good- Unsecured	-	-
	- Credit Impaired- Unsecured	-	-
	Less : Loss Allowances for Doubtful Deposits (Refer Note 11.1)	-	-
	Sub-total	-	-
B	Amount recoverable	8.31	1.46
	Less: Loss Allowances for Doubtful Recoverables (Refer Note 11.2)	-	-
	Sub-total	8.31	1.46
C	Receivable from Subsidiaries / Joint Ventures	-	-
D	Receivable on account of Late Payment Surcharge	-	-
	Less: Loss allowances for Receivable on account of Late Payment Surcharge (Refer Note 11.3)	-	-
	Sub-total	-	-
E	Lease Rent receivable (Finance Lease)	-	-
F	Interest Income accrued on Bank Deposits (Refer Note 11.4)	-	-
G	Interest receivable on Finance lease	-	-
H	Interest recoverable from beneficiary	-	-
I	Interest Accrued on Investment (Bonds)	-	-
J	Amount Recoverable on account of Bonds Fully Serviced by Government of India	-	-
	-Principal	-	-
	- Interest accrued	-	-
K	Interest accrued on Loan to State Government in settlement of dues from customers	-	-
L	Derivative MTM Asset	-	-
M	Claim recoverable from parent company - NHPC LTD.	237.04	187.83
	TOTAL	245.34	189.29
11.1	Loss Allowances for Doubtful Deposits		
	Opening Balance	-	-
	Addition during the year	-	-
	Used during the year	-	-
	Reversed during the year	-	-
	Closing balance	-	-
11.2	Loss Allowances for Doubtful Recoverables		
	Opening Balance	-	-
	Addition during the year	-	-
	Used during the year	-	-
	Reversed during the year	-	-
	Closing balance	-	-
11.3	Loss Allowances for Receivables on account of late payment surcharge		
	Opening Balance	-	-
	Addition during the year	-	-
	Used during the year	-	-
	Reversed during the year	-	-
	Closing balance	-	-
11.4	Includes Interest accrued on balances of held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.	-	-
11.5	Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.		





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NOTE NO. 12 CURRENT TAX ASSETS (NET)

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
A	Current Tax Assets		
B	Advance Income Tax including Tax Deducted at Source	-	2.75
	Less: Provision for Current Tax	-	-
	Net Current Tax Assets (A-B)	-	2.75
	Income Tax Refundable	17.73	-
	Total	17.73	2.75

NOTE NO. 13 OTHER CURRENT ASSETS

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
A.	Advances other than Capital Advances		
a)	Deposits		
	- Considered good- Unsecured	-	-
	Less : Expenditure booked against demand raised by Government Departments	-	-
	- Considered doubtful- Unsecured	-	-
	Less : Allowances for Doubtful Deposits (Refer Note 13.1)	-	-
	Sub-total	-	-
b)	Advance to contractors and suppliers (Refer Note 13.8)		
	- Considered good- Secured	-	-
	- Considered good- Unsecured	-	-
	- Against bank guarantee	-	-
	- Others	3.20	3.20
	Less : Expenditure booked pending utilisation certificate	-	-
	- Considered doubtful- Unsecured	-	-
	Less : Allowances for doubtful advances (Refer Note 13.2)	-	-
	Sub-total	3.20	3.20
c)	Other advances - Employees		
	- Considered good- Unsecured (Refer Note 13.7)	0.20	0.30
	Sub-total	0.20	0.30
d)	Interest accrued		
	Others		
	- Considered Good	316.11	522.65
	- Considered Doubtful	-	-
	Less: Allowances for Doubtful Interest (Refer Note 13.3)	-	-
	Sub-total	316.11	522.65
B.	Others		
a)	Expenditure awaiting adjustment	-	-
	Less: Allowances for project expenses awaiting write off sanction (Refer Note 13.4)	-	-
	Sub-total	-	-
b)	Losses awaiting write off sanction/pending investigation	-	-
	Less: Allowances for losses pending investigation/awaiting write off / sanction (Refer Note 13.5)	-	-
	Sub-total	-	-





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c)	Work In Progress: Construction work in progress (on behalf of client) Consultancy work in progress (on behalf of client)	-	-
d)	Prepaid Expenditure	-	5.00
e)	Deferred Cost on Employees Advances	-	-
f)	Deferred Foreign Currency Fluctuation Deferred Foreign Currency Fluctuation Assets Deferred Expenditure on Foreign Currency Fluctuation	-	-
g)	Surplus / Obsolete Assets (Refer Note 13.9)	0.00	0.00
h)	Goods and Services Tax Input Receivable Less: Allowances for Goods and Services Tax Input Receivable (Refer Note 13.6)	-	-
	Sub-total	-	-
i)	Others: (Mainly on account of Material Issued to Contractors)	-	-
	TOTAL	319.51	531.15
13.1	Allowances for Doubtful Deposits Opening Balance Addition during the year Used during the year Reversed during the year Closing balance	-	-
13.2	Allowances for doubtful advances (Contractors and Suppliers) Opening Balance Addition during the year Used during the year Reversed during the year Closing balance	-	-
13.3	Allowances for Doubtful Accrued Interest Opening Balance Addition during the year Used during the year Reversed during the year Closing balance	-	-
13.4	Allowances for project expenses awaiting write off sanction Opening Balance Addition during the year Used during the year Reversed during the year Closing balance	-	-
13.5	Allowances for losses pending investigation/ awaiting write off / sanction Opening Balance Addition during the year Used during the year Reversed during the year Closing balance	-	-
13.6	Allowances for Goods and Services Tax Input Receivable Opening Balance Addition during the year Used during the year Reversed during the year Closing balance	-	-
13.7	Loans and Advances due from Directors or other officers at the end of the year.		
13.8	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.		
13.9	Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net-realizable value.		
13.10	Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.		





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NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(Amount in Lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Regulatory Deferral Account Balances:		
Opening Balance	-	-
Addition during the year	-	-
Adjustment during the year	-	-
Reversed during the year	-	-
Less: Provided for	-	-
Closing balance	-	-
Closing Balance	-	-

NOTE NO. 14.1 REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(Amount in Lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
MAT CREDIT	-	-
Closing balance	-	-

NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(Amount in Lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A At Amortised Cost		
- Secured Loans		
- Bonds	-	-
- Term Loan		
- from Banks	55,000.00	-
- from Other (Financial Institutions)	-	-
B - Unsecured Loans		
- Term Loan		
- from Government of India (Subordinate Debts)	-	-
- from Bank	-	-
- from Other (in Foreign Currency)	-	-
C Loan from Parent Company		
- Term Loan - Unsecured	-	-
TOTAL	55,000.00	-
16.1.1 Debt Covenants : Refer Note 33(3) with regard to capital Management.		
Term Loan Secured (Jammu & Kashmir Bank Ltd.)	20,000.00	
Repayable in 80 Equal Monthly Installments w.e.f. 1st September 2025 at floating interest rate (Repo plus 1.85% spread with RBI Policy reset) of 8.10% p.a. on 31.03.2023 after 36 months of moratorium period.	-	
The Loan is Secured against hypothecation of movable and immovable assets of LTHPL. The Loan is also secured by way of Corporate Guarantee given by the Parent Company for outstanding amount.	-	
Term Loan Secured (Bank of Baroda Ltd.)	35,000.00	
Repayable in 80 Equal Monthly Installments w.e.f. At 1st March 2026 floating interest rate (G. Sec. plus 0.60% spread with RBI Policy reset) of 7.65% p.a. on 31.03.2023 after 36 months of moratorium period.		
The Loan is Secured against hypothecation of movable and immovable assets of LTHPL. The Loan is also secured by way of Corporate Guarantee given by the Parent Company for outstanding amount.		





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16.1.2	Maturity Analysis of Borrowings		
	The table below summarises the maturity profile of the company's borrowings and lease liability based on contractual payments (Undiscounted Cash Flows) :		
	Particulars	As at 31st March, 2023	As at 31st March, 2022
	More than 1 Year & Less than 3 Years	2,187.50	-
	More than 3 Year & Less than 5 Years	16,500.00	-
	More than 5 Years	36,312.50	-
	TOTAL	55,000.00	-

(Amount in Lakhs)

NOTE NO. 16.2 FINANCIAL LIABILITIES - NON CURRENT - LEASE LIABILITIES

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
	Lease Liabilities	226.08	244.41
	TOTAL	226.08	244.41
16.2.1	Maturity Analysis of Lease Liability		
	The table below summarises the maturity profile of the company's borrowings and lease liability based on contractual payments (Undiscounted Cash Flows) :		
	Particulars	As at 31st March, 2023	As at 31st March, 2022
	More than 1 Year & Less than 3 Years	366.88	279.55
	More than 3 Year & Less than 5 Years	22.34	91.14
	More than 5 Years	3.20	3.40
	TOTAL	392.43	374.09
16.2.2	Movement in Lease Liability	As at 31st March, 2023	As at 31st March, 2022
	Opening Balance	329.77	205.93
	Addition in lease liabilities	159.86	202.82
	Finance Cost accrued during the year	40.92	31.11
	Less: Payment of lease liabilities	170.51	110.09
	Closing Balance	360.04	329.77
	Current maturities of lease obligations (Refer Note 20.2)	133.97	85.36
	Long term maturities of lease obligations	226.08	244.41

NOTE NO. 16.3 FINANCIAL LIABILITIES - NON CURRENT - OTHERS

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
	Payable towards Bonds Fully Serviced by Government of India		
	- Principal	-	-
	Retention Money	2,954.81	854.14
	Payable for Late Payment Surcharge	-	-
	Derivative Liability	-	-
	TOTAL	2,954.81	854.14
16.3.1	Maturity Analysis of Retention Money		
	The table below summarises the maturity profile of the deposits/retention money based on contractual payments (Undiscounted Cash Flows) :		
	Particulars	As at 31st March, 2023	As at 31st March, 2022
	More than 1 Year & Less than 3 Years	579.61	0.81
	More than 3 Year & Less than 5 Years	2,760.64	1,169.44
	More than 5 Years	-	-
	TOTAL	3,340.25	1,170.25





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NOTE NO. 17 PROVISIONS - NON CURRENT

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
A.	PROVISION FOR EMPLOYEE BENEFITS		
i)	<u>Provision for Long term Benefits (Provided for on the basis of actuarial valuation)</u>		
	As per last Balance Sheet	-	-
	Additions during the year	-	-
	Amount used during the year	-	-
	Amount reversed during the year	-	-
	Closing Balance	-	-
B.	OTHERS		
i)	<u>Provision For Committed Capital Expenditure</u>		
	As per last Balance Sheet	-	-
	Additions during the year	-	-
	Amount used during the year	-	-
	Amount reversed during the year	-	-
	Unwinding of discount	-	-
	Closing Balance	-	-
ii)	<u>Provision For Livelihood Assistance</u>		
	As per last Balance Sheet	-	-
	Additions during the year	-	-
	Amount used during the year	-	-
	Amount reversed during the year	-	-
	Unwinding of discount	-	-
	Closing Balance	-	-
iii)	<u>Provision-Others</u>		
	As per last Balance Sheet	-	-
	Additions during the year	-	-
	Amount used during the year	-	-
	Amount reversed during the year	-	-
	Closing Balance	-	-
	TOTAL	-	-

17.1 Information about Provisions is given in Note 34 (17) of Financial Statements.

NOTE NO. 18 DEFERRED TAX LIABILITIES (NET) - NON CURRENT

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
	Deferred Tax Liability		
a)	Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets,	-	-
b)	Financial Assets at FVTOCI	-	-
c)	Other Items	-	-
	Deferred Tax Liability	-	-
	Less:-Set off Deferred Tax Assets pursuant to set off provisions		
a)	Provision for employee benefit scheme, doubtful debts, inventory and others	-	-
b)	Other Items	-	-
c)	MAT credit entitlement	-	-
	Deferred Tax Assets	-	-
	Deferred Tax Liability (Net)	-	-





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NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
	Income received in advance-Advance Against Deferred Foreign Currency Fluctuation Liabilities	-	-
	Deferred Income from Foreign Currency Fluctuation Account	-	-
	Grants in aid-from Government-Deferred Income (Refer Note 19.1)	-	-
	TOTAL	-	-
19.1	GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME		
	Opening Balance (Current and Non Current)	-	-
	Add: Received during the year	-	-
	Less: Transferred to Statement of Profit and Loss (Refer Note 24.2)	-	-
	Closing Balance (Current and Non Current)	-	-
	Grants in Aid-from Government-Deferred Income (Current)- (Refer Note No-21)	-	-
	Grants in Aid-from Government-Deferred Income (Non-Current)	-	-

NOTE NO. 20.1 BORROWINGS - CURRENT

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
A	Loan Repayable on Demand		
	From Banks-Secured	-	-
B	Other Loans		
	From Bank-Secured	-	-
C	Current maturities of long term debt		
	- Bonds	-	-
	- Term Loan -Banks-Secured	-	-
	- Term Loan -Banks-Unsecured	-	-
	- Term Loan -Financial Institutions-Secured	-	-
	- Unsecured-From Government (Subordinate Debts)	-	-
	- Other-Unsecured (in Foreign Currency)	-	-
	Sub Total (C)	-	-
D	Loan from Parent Company		
	- Term Loan -Unsecured (Inter Corporate Loan)	6,000.00	-
	TOTAL	6,000.00	-
20.1.1	Term Loan - Unsecured (Inter Corporate Loan) has been taken from NHPC Ltd. (Parent Company). The Interest on Term Loan - Unsecured (Inter Corporate Loan) amount is @8.32% p.a. to be calculated on monthly rest and shall be paid on quarterly Basis on 1st Working day of the next quarter.		

NOTE NO. 20.2 LEASE LIABILITIES - CURRENT

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
	Current maturities of Lease Liabilities (Refer Note 16.2.2)	133.97	85.36
	TOTAL	133.97	85.36





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NOTE NO. 20.3 TRADE PAYABLE - CURRENT

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
	Total outstanding dues of micro enterprise and small enterprise(s) (Refer Note 20.3.1)	-	-
	Total outstanding dues of Creditors other than micro enterprises and small enterprises (Refer Note 20.3.3)	126.67	1,762.38
	TOTAL	126.67	1,762.38
20.3.1	Disclosure regarding Micro, Small and Medium Enterprise :-		
	Outstanding Liabilities towards Micro, Small and Medium Enterprise	-	-
	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). Additional disclosure as required under Section 22 of The Micro, Small and Medium Enterprise Development Act, 2006 is given under Note No.34(15).		
20.3.2	Refer Annexure-I to Note No-20.3 for Ageing schedule of Trade Payables.		
20.3.3	Total outstanding dues of Creditors other than micro enterprises and small enterprises includes Rs. Nil (Previous Year Rs.313.21 Lakhs) due to Parent Company.		
20.3.4	Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.		

NOTE NO. 20.4 OTHER FINANCIAL LIABILITIES - CURRENT

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
	Bond application money	-	-
	Liability against capital works/supplies other than Micro and Small Enterprises (Refer Note 20.4.5)	7,358.82	2,815.44
	Deposits	-	-
	Liability against capital works/supplies-Micro and Small Enterprises (Refer Note 20.4.1)	-	-
	Liability against Corporate Social Responsibility	1.69	9.46
	Interest accrued but not due on borrowings (Refer Note 20.4.3)	363.86	-
	Interest accrued and due on borrowings (Refer Note 20.4.4)	-	-
	Payable towards Bonds Fully Serviced by Government of India	-	-
	- Principal	-	-
	- Interest	-	-
	Earnest Money Deposit/ Retention Money	22.67	23.82
	Due to Subsidiaries	-	-
	Liability for share application money -to the extent refundable	-	-
	Unpaid dividend (Refer Note 20.4.2)	-	-
	Unpaid interest (Refer Note 20.4.2)	-	-
	Payable for Late Payment Surcharge	-	-
	Payable to Employees	10.45	1.63
	Payable to Others	-	-
	TOTAL	7,757.49	2,850.36





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20.4.1	Disclosure regarding Micro, Small and Medium Enterprise :-		
	Outstanding Liabilities towards Micro, Small and Medium Enterprise	-	-
	Outstanding Interest towards Micro, Small and Medium Enterprise	-	-
	Disclosure of amount payable to Micro and Small Enterprises is based on the information		
20.4.2	"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.		
20.4.3	Interest accrued but not due on borrowings includes interest amounting to Rs. 6.15 Lakhs (Previous Year Nil) payable to Parent Company.		
20.4.4	Interest accrued and due on borrowings includes interest amounting to Rs. Nil payable to Parent Company.		
20.4.5	Liability against capital works/supplies other than Micro and Small Enterprises includes Rs 315.60 Lakhs (Previous Year Nil) Payable to Parent Company.		
20.4.6	Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.		

NOTE NO. 21 OTHER CURRENT LIABILITIES

(Amount in Lakhs)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
	Income received in advance (Advance against depreciation)	-	-
	Deferred Income from Foreign Currency Fluctuation Account	-	-
	Deferred Foreign Currency Fluctuation Liabilities	-	-
	Unspent amount of deposit/agency basis works	-	-
	Water Usage Charges Payables	-	-
	Statutory dues payables	788.55	194.13
	Contract Liabilities-Deposit Works	-	-
	Contract Liabilities-Project Management/ Consultancy Work	-	-
	Provision toward amount recoverable in respect of Project Management/ Consultancy Work	-	-
	Advance from Customers and Others	-	-
	Grants in aid-from Government-Deferred Income (Refer Note No-19.1)	-	-
	TOTAL	788.55	194.13

21.1 Refer Note 34(11) of the Financial Statements with regard to confirmation of balances.





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NOTE NO. 22 PROVISIONS - CURRENT

(Amount in Lakhs)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	PROVISION FOR EMPLOYEE BENEFITS		
i)	<u>Provision for Long term Benefits (Provided for on the basis of actuarial valuation)</u>		
	As per last Balance Sheet	-	-
	Additions during the year	-	-
	Amount used during the year	-	-
	Amount reversed during the year	-	-
	Closing Balance	-	-
ii)	<u>Provision for Wage Revision</u>		
	As per last Balance Sheet	-	-
	Additions during the year	-	-
	Amount used during the year	-	-
	Amount reversed during the year	-	-
	Closing Balance	-	-
	Less: Advance paid	-	-
	Closing Balance (Net of advance)	-	-
	<u>Provision for Performance Related Pay/Incentive</u>		
	As per last Balance Sheet	265.42	205.14
	Additions during the year	525.31	237.83
	Amount used during the year	236.43	177.56
	Amount reversed during the year	-	-
	Closing Balance	554.29	265.42
	Less: Advance Paid	-	-
	Closing Balance Net of Advance	554.29	265.42
iii)	<u>Provision for Superannuation / Pension Fund</u>		
	As per last Balance Sheet	-	-
	Additions during the year	-	-
	Amount used during the year	-	-
	Amount reversed during the year	-	-
	Closing Balance	-	-
iv)	<u>Provision For Wage Revision - 3rd Pay Revision Committee</u>		
	As per last Balance Sheet	-	-
	Additions during the year	-	-
	Amount used during the year	-	-
	Amount reversed during the year	-	-
	Closing Balance	-	-
	TOTAL	554.29	265.42

22.1 Information about Provisions is given in Note 34 (17) of Financial Statements.





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NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(Amount in Lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Current Tax Liability as per last Balance Sheet		
Additions during the year		
Amount adjusted during the year		
Amount used during the year		
Amount reversed during the year		
Closing Balance of Current Tax Liability (A)	-	-
Less: Current Advance Tax Including Tax Deducted at Source (B)	192.24	81.02
Net Current Tax Liabilities (A-B)	(192.24)	(81.02)
(Disclosed under Note No-4 above)	192.24	81.02
TOTAL	-	-

NOTE NO. 24.1 REVENUE FROM OPERATIONS

(Amount in Lakhs)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A Operating Revenue		
SALES		
Sale of Power	-	-
Advance Against Depreciation -Written back during the year	-	-
Performance based Incentive	-	-
Sub-total (i)	-	-
Less :		
Sales adjustment on account of Foreign Exchange Rate Variation	-	-
Tariff Adjustments	-	-
Regulated Power Adjustment	-	-
Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	-	-
Rebate to customers	-	-
Sub-total (ii)	-	-
Sub - Total (A) = (i-ii)	-	-
B Income from Finance Lease	-	-
C Income from Operating Lease	-	-
D Revenue From Contracts, Project Management and Consultancy Works		
Contract Income	-	-
Revenue from Project management/ Consultancy works	-	-
Sub - Total (D)	-	-
E Revenue from Power Trading		
Sale of Power	-	-
Less:-Rebate to customers	-	-
Trading Margin	-	-
Sub - Total (E)	-	-
Sub-Total-I (A+B+C+D+E)	-	-
F OTHER OPERATING REVENUE		
Income From Sale of Self Generated VERs/REC	-	-
Income on account of generation based incentive (GBI)	-	-
Interest from Beneficiary States -Revision of Tariff	-	-
Sub-Total-II	-	-
TOTAL (I+II)	-	-





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NOTE NO. 24.2 OTHER INCOME

(Amount in Lakhs)

PARTICULARS		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A)	Interest Income		
	- Investments carried at FVTOCI- Non Taxable	-	-
	- Investments carried at FVTOCI- Taxable	-	-
	- Interest - Government Securities (8.5% tax free bonds issued by	-	-
	- Loan to Government of Arunachal Pradesh	-	-
	- Deposit Account	84.15	39.30
	- Employee's Loans and Advances (Net of Rebate)	-	-
	- Advance to contractors	1,862.97	772.95
	- Others	3.56	-
B)	Dividend Income	-	-
	- Dividend from subsidiaries	-	-
	- Dividend - Others	-	-
C)	Other Non Operating Income (Net of Expenses directly attributable to such income)	-	-
	Late payment surcharge	-	-
	Realization of Loss Due To Business Interruption	-	-
	Profit on sale of Investments	-	-
	Profit on sale of Assets (Net)	-	-
	Income from Insurance Claim	-	-
	Liabilities/ Impairment Allowances/ Provisions not required written back	-	-
	Material Issued to contractor	-	-
	(i) Sale on account of material issued to contractors	-	-
	(ii) Cost of material issued to contractors on recoverable basis	-	-
	(iii) Adjustment on account of material issued to contractor	-	-
	Amortization of Grant in Aid	-	-
	Exchange rate variation (Net)	-	-
	Mark to Market Gain on Derivative	-	-
	Others	70.48	5.62
	Sub-total	2,021.16	817.86
	Add/(Less): C.O. Income Allocation	-	-
	Add/(Less): Regional Office Income Allocation	-	-
	Sub-total	2,021.16	817.86
	Less: transferred to Expenditure Attributable to Construction	2,021.16	817.86
	Less: transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	-	-
	Less: Transfer of other income to grant	-	-
	Total	(0)	-
	TOTAL	-	-





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NOTE NO. 25.1 Purchase of Power - Trading

(Amount in Lakhs)

PARTICULARS		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
	Purchase of Power	-	-
	Less : Rebate from Supplier	-	-
	Total	-	-

NOTE NO. 25.2 GENERATION EXPENSES

(Amount in Lakhs)

PARTICULARS		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
	Water Usage Charges	-	-
	Consumption of stores and spare parts	-	-
	Sub-total	-	-
	Less: transferred to Expenditure Attributable to Construction	-	-
	Total	-	-

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(Amount in Lakhs)

PARTICULARS		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
	Salaries and Wages	3,043.97	2,061.55
	Contribution to provident and other funds	407.41	299.48
	Staff welfare expenses	145.83	100.79
	Leave Salary & Pension Contribution	-	-
	Sub-total	3,597.21	2,461.82
	Add/(Less): C.O. Expenses Allocation	-	-
	Add/(Less): Regional Office Expenses Allocation	-	-
	Sub-total	3,597.21	2,461.82
	Less: transferred to Expenditure Attributable to Construction	3,597.21	2,461.82
	Less: Recoverable from Deposit Works	-	-
	Total	0.00	0.00
26.1	Disclosure about leases towards residential accommodation for employees are given in Note 34		
26.2	Contribution to provident and other funds include contributions:	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
	i) towards Employees Provident Fund	174.61	120.71
	ii) towards Employees Defined Contribution Superannuation Scheme	213.79	145.84
26.3	Salary and wages includes expenditure on short term leases as per IND AS-116 " Leases".	1.43	2.14





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NOTE NO. 27 FINANCE COSTS

(Amount in Lakhs)

PARTICULARS		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A	Interest on Financial Liabilities at Amortized Cost		
	Bonds	-	-
	Term loan	1,125.35	-
	Foreign loan	-	-
	Government of India loan	-	-
	Short Term Loan	231.68	-
	Cash credit facilities /WCCL	-	-
	Other interest charges	-	-
	Lease Liabilities	40.92	31.11
	Unwinding of discount-Government of India Loan	-	-
	Sub-total	1,397.95	31.11
B	Other Borrowing Cost		
	Call spread/ Coupon Swap	-	-
	Bond issue/ service expenses	-	-
	Commitment fee	-	-
	Guarantee fee on Term Loan	203.87	-
	Other finance charges	-	-
	Unwinding of discount-Provision & Financial Liabilities	155.01	14.82
	Sub-total	358.88	14.82
C	Applicable net (gain)/ loss on Foreign currency transactions and translation		
	Exchange differences regarded as adjustment to interest cost	-	-
	Less: Transferred to Deferred Foreign Currency Fluctuation Assets	-	-
	Sub-total	-	-
D	Interest on Income Tax		
	Total (A + B + C+D)	1,756.82	45.93
	Add/(Less): C.O. Expenses Allocation	-	-
	Add/(Less): Regional Office Expenses Allocation	-	-
	TOTAL	1,756.82	45.93
	Less: transferred to Expenditure Attributable to Construction	1,756.82	45.93
	Less: Recoverable from Deposit Works	-	-
	Total	0.00	(0.00)

NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in Lakhs)

PARTICULARS		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
	Depreciation -Property, Plant and Equipment	157.41	35.34
	Depreciation-Right of use Assets	153.81	101.39
	Amortization -Intangible Assets	8.57	7.51
	Depreciation adjustment on account of Foreign Exchange Rate Variation	-	-
	Add/(Less): C.O. Expenses Allocation	-	-
	Add/(Less): Regional Office Expenses Allocation	-	-
	Add/(Less): Depreciation allocated to/from other units	-	-
	Sub-total	319.78	144.24
	Less: transferred to Expenditure Attributable to Construction	319.78	144.24
	Less: Recoverable from Deposit Works	-	-
	Total	-	-





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NOTE NO. 29 OTHER EXPENSES

(Amount in Lakhs)

PARTICULARS		For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A.	Direct Expenditure on Contract, Project Management and Consultancy Works	-	-
B.	REPAIRS AND MAINTENANCE		
	- Building	149.55	102.75
	- Machinery	-	-
	- Others	31.12	25.13
C.	OTHER EXPENSES		
	Rent	11.14	97.60
	Hire Charges	244.33	42.71
	Rates and taxes	20.77	9.93
	Insurance	-	-
	Security expenses	199.63	172.49
	Electricity Charges	14.43	39.53
	Travelling and Conveyance	24.02	20.84
	Expenses on vehicles	-	-
	Telephone, telex and Postage	47.04	43.81
	Advertisement and publicity	0.20	3.08
	Entertainment and hospitality expenses	0.60	0.36
	Printing and stationery	19.34	15.65
	Consultancy charges - Indigenous	76.49	56.17
	Consultancy charges - Foreign	-	-
	Audit expenses (Refer Note 29.3)	9.26	6.46
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	3.90	1,409.43
	Expenses on work of downstream protection works	-	-
	Expenditure on land not belonging to company	-	2.02
	Loss on Assets (Net)	-	2.61
	Losses out of insurance claims	-	-
	Donation	-	-
	Corporate social responsibility (Refer Note 34(12))	-	5.28
	Community Development Expenses	-	-
	Directors' Sitting Fees	-	-
	Interest on Arbitration/ Court Cases	-	-
	Interest to beneficiary	-	-
	Expenditure on Self Generated VER's/REC	-	-
	Expenses for Regulated Power	-	-
	Less: - Exp Recoverable on Regulated Power	-	-
	Exchange rate variation (Net)	-	-
	Training Expenses	0.20	0.90
	Petition Fee /Registration Fee /Other Fee - To CERC/RLDC/RPC/LEX/PXIL	-	3.54
	Operational/Running Expenses of Kendriya Vidyalay	-	-
	Operational/Running Expenses of Other Schools	-	-
	Operational/Running Expenses of Guest House/Transit Hostel	42.26	32.62
	Operating Expenses of DG Set-Other than Residential	-	1.67
	Fair Value Loss on Financial Assets	-	-
	Change in Fair Value of Derivatives	-	-
	Other general expenses	41.83	20.51
	Sub-total	936.10	2,115.07





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	Add/(Less): C.O. Expenses Allocation	-	-
	Add/(Less): Regional Office Expenses Allocation	-	-
	Sub-total	936.10	2,115.07
	Less: transferred to Expenditure Attributable to Construction	913.61	2,094.88
	Less: Recoverable from Deposit Works	-	-
	Less: Transfer to General Reserve for Expenses on Buyback	-	-
	Sub-total (i)	22.49	20.19
D.	PROVISIONS/ IMPAIRMENT ALLOWANCE		
	Loss allowance for trade receivables	-	-
	Loss Allowance for Expected Credit Loss -Trade Receivables	-	-
	Allowance for Bad and doubtful advances / deposits	-	-
	Allowance for Bad and doubtful claims	-	-
	Allowance for Bad and Doubtful Loan	-	-
	Allowance for Doubtful Interest	-	-
	Allowance for stores and spares/ Construction stores	-	-
	Allowance for Shortage in store & spares provided	-	-
	Allowance against diminution in the value of Investment	-	-
	Allowance for Project expenses	-	-
	Allowance for losses pending investigation/ awaiting write	-	-
	Allowance for Diminution in value of Inventory of Self	-	-
	Generated VER's Provided for	-	-
	Allowance for catchment area treatment plan	-	-
	Interest to Beneficiary (Refer Note 29.2)	-	-
	Interest against court/arbitration award	-	-
	Others	-	-
	Sub-total	-	-
	Add/(Less): C.O. Expenses Allocation	-	-
	Add/(Less): Regional Office Expenses Allocation	-	-
	Sub-total	-	-
	Less: transferred to Expenditure Attributable to Construction	-	-
	Less: Recoverable from Deposit Works	-	-
	Sub-total (ii)	-	-
	Total (i+ii)	22.49	20.19

29.1 Disclosure about leases are given in Note 34 (14) (A).

(Amount in Lakhs)

29.2	Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
	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.	-	-





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(Amount in Lakhs)

29.3	Detail of audit expenses are as under: -	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
	i) Statutory auditors		
	As Auditor		
	Audit Fees	7.26	5.90
	Tax Audit Fees	-	-
	In other Capacity	-	-
	Taxation Matters	-	-
	Company Law Matters	-	-
	Management Services	-	-
	Other Matters/services	0.94	0.10
	Reimbursement of expenses	1.06	0.46
	ii) Cost Auditors		
	Audit Fees	-	-
	Reimbursement of expenses	-	-
	iii) Goods and Service Tax (GST) Auditors		
	Audit Fees	-	-
	Reimbursement of expenses	-	-
	Total Audit Expenses	9.26	6.46
29.4	Rent includes the following expenditure as per IND AS-116 "Leases".		
(i)	Expenditure on short-term leases other than lease term of one month or less	10.31	66.62
(ii)	Expenditure on long term lease of low-value assets	-	-
(iii)	Variable lease payments not included in the measurement of lease liabilities	0.83	30.98
29.5	Consultancy charges - Indigenous Includes an amount of Rs. 0.20 Lakhs incurred by the Company for Certification charges for FY 2021-22 by Statutory Auditors.		

NOTE NO. 30.1 TAX EXPENSES

(Amount in Lakhs)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Current Tax		
Provision for Current Tax	-	-
Adjustment Relating To Earlier years	-	-
Total current tax expenses	-	-
Deferred Tax		
Decrease (increase) in deferred tax assets		
- Relating to origination and reversal of temporary differences	-	-
- Relating to change in tax rate	-	-
- Adjustments in respect of deferred tax of earlier years	-	-
- Adjustments on account of MAT credit entitlement	-	-
Increase (decrease) in deferred tax liabilities		
- Relating to origination and reversal of temporary differences	-	-
- Relating to change in tax rate	-	-
- Adjustments in respect of deferred tax of earlier years	-	-
Total deferred tax expenses (benefits)	-	-
Net Deferred Tax	-	-
Total	-	-





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Notes forming part of the financial statements as on 31st March, 2023

NOTE NO. 30.2 OTHER COMPREHENSIVE INCOME

(Amount in Lakhs)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(I) Items that will not be reclassified to profit or loss		
(a) Remeasurement of the post employment defined benefit obligations	-	-
Less: Income Tax on remeasurement of the post employment defined benefit obligations	-	-
Remeasurement of the post employment defined benefit obligations (net of Tax)	-	-
Less: Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations	-	-
-Movement in Regulatory Deferral Account Balances- Remeasurement of post employment defined benefit obligations	-	-
Less: Impact of Tax on Regulatory Deferral Accounts	-	-
Remeasurement of the post employment defined benefit obligations (net of Tax) and Regulatory deferral account balances (a)	-	-
(b) Investment in Equity Instruments	-	-
Less: Income Tax on Equity Instruments	-	-
Sub total (b)	-	-
Total (I)=(a)+(b)	-	-
(II) Items that will be reclassified to profit or loss		
- Investment in Debt Instruments	-	-
Less: Income Tax on Investment in Debt Instruments	-	-
Total (II)	-	-
Total =(I+II)	-	-

NOTE NO. 31 Movement in Regulatory Deferral Account Balances

(Amount in Lakhs)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(i) Wage Revision as per 3rd Pay Revision Committee	-	-
(ii) Depreciation due to moderation of Tariff	-	-
(iii) Exchange Differences on Monetary Items	-	-
(iv) Adjustment against Deferred Tax Recoverable for tariff period upto 2009	-	-
(v) Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards	-	-
(vi) MAT Credit	-	-
TOTAL (i)+(ii)+(iii)+(iv)+(v)+(vi)	-	-
Impact of Tax on Regulatory Deferral Accounts		
Less: Deferred Tax on Regulatory Deferral Account Balances	-	-
Add: Deferred Tax recoverable from Beneficiaries	-	-
Total	-	-

31.1 Refer Note 14 and 14.2 of Financial Statements.





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Notes forming part of the financial statements as on 31st March, 2023

NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR		
(Amount in Lakhs)		
PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A. GENERATION EXPENSE		
Consumption of stores and spare parts	-	-
Sub-total	-	-
B. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	3,043.97	2,061.55
Contribution to provident and other funds	408.87	301.45
Staff welfare expenses	144.37	98.83
Leave Salary & Pension Contribution	-	-
Sub-total	3,597.21	2,461.83
C. FINANCE COST		
Interest on : (Refer Note 2.2.3)		
Bonds	-	-
Foreign loan	-	-
Term loan	1,357.03	-
	1,357.03	-
Cash credit facilities /WCDL	-	-
Exchange differences regarded as adjustment to interest cost	-	-
Loss on Hedging Transactions	-	-
Bond issue/ service expenses	-	-
Commitment fee	-	-
Guarantee fee on loan	203.87	-
Other finance charges	-	-
Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest	-	-
Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	195.92	45.93
Transfer of expenses to EAC- Interest on FC Loans - Effective Interest Adjustment	-	-
Transfer of expenses to EAC-committed capital expenses-adjustment for time value	-	-
Sub-total	1,756.82	45.93
D. DEPRECIATION AND AMORTISATION EXPENSES		
	319.78	144.24
Sub-total	319.78	144.24





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Notes forming part of the financial statements as on 31st March, 2023

E.	OTHER EXPENSES		
	Repairs And Maintenance :		
	-Building	149.55	102.75
	-Machinery	-	-
	-Others	31.12	25.13
	Rent & Hire Charges	255.47	140.30
	Rates and taxes	20.77	9.93
	Insurance	-	-
	Security expenses	199.63	172.49
	Electricity Charges	14.43	39.53
	Travelling and Conveyance	16.46	20.52
	Expenses on vehicles	-	-
	Telephone, telex and Postage	47.04	43.81
	Advertisement and publicity	-	-
	Entertainment and hospitality expenses	-	-
	Printing and stationery	19.34	15.65
	Design and Consultancy charges:	-	-
	- Indigenous	76.49	56.17
	- Foreign	-	-
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	3.90	1,409.43
	Expenses on works of downstream protection works	-	-
	Expenditure on land not belonging to company	-	2.02
	Assets/ Claims written off	-	2.61
	Land Acquisition and Rehabilitation Expenditure	-	-
	Losses on sale of assets	-	-
	Other general expenses	79.42	54.55
	Exchange rate variation (Debit)	-	-
	Sub-total	913.61	2,094.88
F.	PROVISIONS	-	-
	Sub-total	-	-
G.	CORPORATE OFFICE/REGIONAL OFFICE EXPENSES		
	Other Income	-	-
	Other Expenses	-	-
	Employee Benefits Expense	-	-
	Depreciation & Amortisation Expenses	-	-
	Finance Cost	-	-
	Provisions	-	-
	Sub-total	-	-
H.	LESS: RECEIPTS AND RECOVERIES		
	Income from generation of electricity – precommissioning	-	-
	Interest on loans and advances	1,862.97	772.95
	Profit on sale of assets	-	-
	Exchange rate variation (Credit)	-	-
	Provision/Liability not required written back	-	-
	Miscellaneous receipts	158.19	44.91
	Transfer of fair value gain to EAC- security deposit	-	-
	Transfer of Income to EAC - MTM Gain on Derivatives	-	-
	Transfer of fair value gain to EAC - on provisions for committed capital expenditure	-	-
	Sub-total	2,021.16	817.86
	TOTAL (A+B+C+D+E+F+G-H) (Refer Note 2.2)	4,566.27	3,929.01





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Annexures forming part of the financial statements as on 31st March,2023

Annexure-I to Note No-3.2 Trade Receivable Ageing

As at 31st March 2023

(Amount in Lakhs)

Particulars	Trade Receivable due and outstanding for following period from due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables-Considered Good								-
(ii) Undisputed Trade receivables-which have significant increase in credit risk								-
(iii) Undisputed Trade receivables-Credit Impaired								-
(iv) Disputed Trade receivables-Considered Good								-
(v) Disputed Trade receivables-which have significant increase in credit risk								-
(vi) Disputed Trade receivables-Credit Impaired								-
Total	-	-	-	-	-	-	-	-

As at 31st March 2022

(Amount in Lakhs)

Particulars	Trade Receivable due and outstanding for following period from due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables-Considered Good								-
(ii) Undisputed Trade receivables-which have significant increase in credit risk								-
(iii) Undisputed Trade receivables-Credit Impaired								-
(iv) Disputed Trade receivables-Considered Good								-
(v) Disputed Trade receivables-which have significant increase in credit risk								-
(vi) Disputed Trade receivables-Credit Impaired								-
Total	-	-	-	-	-	-	-	-





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Annexures forming part of the financial statements as on 31st March,2023

Annexure-I to Note No-7

As at 31st March 2023

(Amount in Lakhs)

Particulars	Trade Receivable due and outstanding for following period from due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables-Considered Good								-
(ii) Undisputed Trade receivables-which have significant increase in credit risk								-
(iii) Undisputed Trade receivables-Credit Impaired								-
(iv) Disputed Trade receivables-Considered Good								-
(v) Disputed Trade receivables-which have significant increase in credit risk								-
(vi) Disputed Trade receivables-Credit Impaired								-
Total	-	-	-	-	-	-	-	-

As at 31st March 2022

(Amount in Lakhs)

Particulars	Trade Receivable due and outstanding for following period from due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables-Considered Good								-
(ii) Undisputed Trade receivables-which have significant increase in credit risk								-
(iii) Undisputed Trade receivables-Credit Impaired								-
(iv) Disputed Trade receivables-Considered Good								-
(v) Disputed Trade receivables-which have significant increase in credit risk								-
(vi) Disputed Trade receivables-Credit Impaired								-
Total	-	-	-	-	-	-	-	-





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Annexures forming part of the financial statements as on 31st March,2023

Annexure-I to Note No-20.3 Trade Payable Ageing

As at 31st March 2023

(Amount in Lakhs)

Particulars	Trade Payble due and outstanding for following period from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) MSME							-
(ii) Others	53.69	-	72.97				126.67
(iii) Disputed dues-MSME							-
(iv) Disputed dues-Others							-
Total	53.69	-	72.97	-	-	-	126.67

As at 31st March 2022

(Amount in Lakhs)

Particulars	Trade Payble due and outstanding for following period from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) MSME							-
(ii) Others	1,707.18	-	55.20				1,762.38
(iii) Disputed dues-MSME							-
(iv) Disputed dues-Others							-
Total	1,707.18	-	55.20	-	-	-	1,762.38





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Annexures forming part of the financial statements as on 31st March, 2023

Annexure to Note No. 18.1 - Movement in Deferred Tax Liability

(Amount in Lakhs)

Particulars	Property, Plant and Equipments, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Total
At 1st April 2022	-	-	-	-
Charge/(Credit)				
-to Statement of Profit and Loss				-
-to Other Comprehensive Income				-
At 31st March 2023	-	-	-	-

Movement in Deferred Tax Assets

(Amount in Lakhs)

Particulars	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	MAT credit entitlement	Total
At 1st April 2022	-	-	-	-
(Charge)/Credit				
-to Statement of Profit and Loss				-
-to Other Comprehensive Income				-
At 31st March 2023	-	-	-	-





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Notes forming part of the financial statements as on 31st March, 2023

Note-33: Disclosure on Financial Instruments and Risk Management
(1) Fair Value Measurement

A) Financial Instruments by category

Financial assets	Notes	As at 31st March, 2023			(Amount in Lakhs)		
		Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortized Cost	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortized Cost
Non-current Financial assets							
(i) Non-current investments							
a) In Equity Instrument (Quoted)	3.1						
b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted	3.1						
Sub-total							
(ii) Trade Receivables							
(iii) Loans							
a) Loans to Related Party	3.2						
b) Employees	3.3						
c) Loan to Government of Arunachal Pradesh (including interest)	3.3						
d) Others	3.3						
(iv) Others							
Deposits	3.4						
-Lease Receivables including interest	3.4						
-Recoverable on account of Bonds fully Serviced by	3.4						
-Receivable on account of Late payment	3.4						
-Amount Recoverable	3.4						
-Derivative Mark to Market Asset	3.4						
-Bank Deposits with more than 12 Months Maturity (including interest accrued)	3.4						
Total Non-current Financial assets							
Current Financial assets							
(i) Trade Receivables	7						
(ii) Cash and cash equivalents	8			3,898.57			784.17
(iii) Bank balances other than Cash and Cash Equivalents	9						8.52
(iv) Loans	10			1.25			2.60
-Employee Loans							
-Loans to Related Party							
-Others							
(v) others (Excluding Lease Receivables)	11			245.34			189.29
(vi) others (Lease Receivables including interest)	11						
Total Current Financial Assets							
Total Financial Assets				4,145.17			964.69
				4,145.17			964.69





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Notes forming part of the financial statements as on 31st March, 2023

Financial Liabilities	Notes	As at 31st March, 2023			As at 31st March, 2022		
		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			55,000.00			-
(ii) Long term maturities of lease liabilities	16.2			226.08			244.41
(iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3			2,954.81			854.14
(iv) Borrowing -Short Term including current maturities of long term borrowings	20.1			6,000.00			-
(v) Current maturities of lease obligations	20.2			133.97			85.36
(vi) Trade Payables including Micro, Small and Medium Enterprises	20.3			126.67			1,762.38
(vii) Other Current financial liabilities							
a) Interest Accrued but not due on borrowings	20.4			363.86			-
b) Other Current Liabilities	20.4			7,393.63			2,850.36
Total Financial Liabilities				72,199.02			5,796.65





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Notes forming part of the financial statements as on 31st March, 2023

Note-33: Disclosure on Financial Instruments and Risk Management
(1) Fair Value Measurement

A) Financial Instruments by category

Financial assets	Notes	As at 31st March, 2023				(Amount in Lakhs)			
		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	3.1								
a) In Equity Instrument (Quoted)									
b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted	3.1								
Sub-total									
(ii) Trade Receivables	3.2								
(iii) Loans									
a) Loans to Related Party	3.3								
b) Employees	3.3								
c) Loan to Government of Arunachal Pradesh									
(Including Interest)	3.3								
d) Others	3.3								
(iv) Others									
Deposits	3.4								
-Lease Receivables including Interest	3.4								
-Recoverable on account of Bonds fully Serviced by									
-Receivable on account of Late payment	3.4								
-Amount Recoverable	3.4								
-Derivative Mark to Market Asset	3.4								
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4								
Total Non-current Financial assets	3.4								





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Notes forming part of the financial statements as on 31st March, 2023

	7	8	9	10	11	11	As at 31st March, 2023				As at 31st March, 2022	
							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
Current Financial assets												
(i) Trade Receivables									3,898.57			784.17
(ii) Cash and cash equivalents									-			8.62
(iii) Bank balances other than Cash and Cash Equivalents									1.25			2.60
(iv) Loans									-			-
- Employee Loans									-			-
- Loans to Related Party									245.34			189.29
- Others									-			-
(v) others (Excluding Lease Receivables)									-			-
(vi) others (Lease Receivables including Interest)									-			-
Total Current Financial Assets							-	-	4,145.17	-	-	984.68
Total Financial Assets							-	-	4,145.17	-	-	984.68
Financial Liabilities												
(i) Long-term borrowings	16.1								55,000.00			-
(ii) Long term maturities of lease liabilities	16.2								226.08			244.41
(iii) Other Financial Liabilities (Including Payable towards Bonds Fully Serviced by Government of India)	16.3								2,954.81			854.14
(iv) Borrowing -Short Term Including current maturities of long term borrowings	20.1								6,000.00			-
(v) Current maturities of lease obligations	20.2								133.97			85.36
(vi) Trade Payables including Micro, Small and Medium Enterprises	20.3								126.67			1,762.38
(vii) Other Current financial liabilities	20.4								363.86			-
a) Interest Accrued but not due on borrowings	20.4								7,393.63			2,850.36
b) Other Current Liabilities									-			-
Total Financial Liabilities									72,199.02			5,796.65





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Notes forming part of the financial statements as on 31st March, 2023

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 security deposits/retention money and loans at below market rates of interest.

(a) Financial Assets/Liabilities Measured at Fair Value-Recurring Fair Value Measurement:

		As at 31st March, 2023			As at 31st March, 2022		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI							
(i) Investments:-							
- In Equity Instrument (Quoted)	3.1	-	-	-	-	-	-
- In Debt Instruments (Government/ Public Sector Undertaking)- Quoted *	3.1	-	-	-	-	-	-
Financial Assets at FVTPL :							
(i) Derivative MTN Asset (Call spread option and Coupon only swap)	3.4	-	-	-	-	-	0
Total		-	-	-	-	-	-

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.





Lanco Teesta Hydro Power Limited
(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U40109TG2000GOI034758

Notes forming part of the financial statements as on 31st March, 2023

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:		(Amount in Lakhs)					
Particulars		As at 31st March, 2023			As at 31st March, 2022		
	Note	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Trade Receivables	3.2			-			-
(ii) Loans							
a) Employees	3.3		-			-	
b) Loans to Related Party	3.3		-			-	
c) Others	3.3			-			-
(iii) Others							
Security Deposits	3.4		-			-	
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4						
-Recoverable-Others	3.4			-		-	
-Recoverable on account of Bonds	3.4	-			-		
Total Financial Assets		-	-	-	-	-	-
Financial Liabilities							
(i) Long Term Borrowings including Current maturities and accrued interest	16.1, 20.1 and 20.4		55,095.17				
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	-		2,954.81	-		854.14
Total Financial Liabilities		-	55,095.17	2,954.81	-	-	854.14





Lanco Teesta Hydro Power Limited
(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U40109TG2000GOI034759

Notes forming part of the financial statements as on 31st March, 2023

(c) Fair value of Financial Assets and Liabilities measured at Amortised Cost (Amount in Lakhs)

Particulars	Note No.	As at 31st March, 2023 Carrying Amount	Fair Value	As at 31st March, 2022 Carrying Amount	Fair Value
Financial Assets					
(i) Trade Receivables	3.2	-	-	-	-
(ii) Loans					
a) Employees	3.3	-	-	-	-
b) Loans to Related Party	3.3	-	-	-	-
c) Others		-	-	-	-
(iii) Others					
Security Deposits	3.4	-	-	-	-
Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4	-	-	-	-
Recoverable - Others	3.4	-	-	-	-
Recoverable on account of Bonds fully Serviced by Government of India	3.4	-	-	-	-
Total Financial Assets		-	-	-	-
Financial Liabilities					
(i) Long Term Borrowings including Current maturities and accrued interest	16.1, 20.1 and 20.6	55,363.86	55,095.17	-	-
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	2,954.81	2,954.81	854.14	854.14
Total Financial Liabilities		58,318.67	58,049.98	854.14	854.14

Notes:-

1. The Carrying amounts of current investments, Trade and other receivables (Current), 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.

- 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.





Lanco Teesta Hydro Power Limited
(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U40100TG2000G01034758

Notes forming part of the financial statements as on 31st March, 2023

(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.





Lanco Teesta Hydro Power Limited
(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U46109TG2006GC034758

Notes forming part of the financial statements as on 31st March, 2023

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 and debt price 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.

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:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments (other than Subsidiaries and Joint Ventures)	-	-
Loans - Non Current (including interest)	-	-
Other Non Current Financial Assets (Excluding Lease Receivables)	-	-
Share Application Money Pending Allotment	-	-
Current Investments	-	-
Cash and cash equivalents	3,898.57	784.17
Bank balances other than Cash and Cash Equivalents	-	8.62
Loans - Current	1.25	2.60
Other Financial Assets (Excluding Lease Receivables)	245.34	189.79
Total (A)	4,145.17	984.58
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	-	-
Lease Receivables (including interest)	-	-
Total (B)	-	-
TOTAL (A+B)	4,145.17	984.58





Lanco Teesta Hydro Power Limited
(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U46100TG2006GO0004788

Notes forming part of the financial statements as on 31st March, 2023

- (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.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	Not over due	0-60 days past due	61-120 days past due	121-180 days past due	More than 180 days past due	Total
Gross Carrying amount as on 31.3.2018						0
Gross Carrying amount as on 31.3.2017						0

(iii) Reconciliation of Impairment loss provisions

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

	Trade Receivables	Investments	Claim Recoverable	Loans	Total
Balance as at 1.4.2021	-	-	-	-	-
Changes in Loss Allowances	-	-	-	-	-
Balance as at 1.4.2022	-	-	-	-	-
Changes in Loss Allowances	-	-	-	-	-
Balance as at 31.3.2023	-	-	-	-	-

(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 year:

Particulars	As at 31st March, 2023	As at 31st March, 2022
At Floating Rate		
Fixed rate		
Total		





Lanco Teesta Hydro Power Limited
(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U40109TG2000000094788

Notes forming part of the financial statements as on 31st March, 2023

(H) 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, 2023		(Amount in Lakhs)			
Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.3.2023	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years
Borrowings	16.1 and 20.1	61,000.00	6,000.00	2,187.50	16,500.00
Lease Liabilities	16.2 & 20.2	360.04	133.97	366.88	22.34
Other financial Liabilities	16.3 & 20.4	11,097.80	7,757.55	579.61	2,760.64
Trade Payables	20.3	126.67	126.67	-	-
Total Financial Liabilities		72,584.51	14,018.19	3,133.99	19,282.99
As at 31st March, 2022		(Amount in Lakhs)			
Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2022	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years
Borrowings	16.1 and 20.1	-	-	-	-
Lease Liabilities	16.2 & 20.2	320.77	85.36	279.55	91.14
Other financial Liabilities	16.3 & 20.4	4,020.68	2,850.44	9.81	1,169.44
Trade Payables	20.3	1,762.58	1,762.38	-	-
Total Financial Liabilities		6,112.83	4,698.18	289.36	1,260.58
					3.40

(I) 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 CER tariff regulations.

The exposure of the company's borrowing to interest rate changes at the end of the reporting year are as follows:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	weighted average interest rate		weighted average interest rate	
Floating Rate Borrowings (INR)	7.91%	55,000.00		
Floating Rate Borrowings (FCI)				
Fixed Rate Borrowings (INR)				
Fixed Rate Borrowings (FCI)				
Total		55,000.00		-

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.





Lanco Teesta Hydro Power Limited

(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U40109TG2000GOI034758

Notes forming part of the financial statements as on 31st March, 2023

(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 total debt divided by total capital. The Debt : Equity ratio are as follows:

(Amount in Lakhs)

Particulars	Statement of Gearing Ratio	
	As at 31st March, 2023	As at 31st March, 2022
(a) Total Debt	61,360.04	329.77
(b) Total Capital	1,76,464.61	1,48,096.10
Gearing Ratio (a/b)	0.35	0.00

Note: For the purpose of the Company's capital management, capital includes issued capital and reserves, Total debt includes Long term debts and Lease Liabilities including current maturities thereof, Short term Borrowings and Payable towards Bonds fully serviced by Government of India.

(b) Loan Covenants:

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

Term Loan Secured (Jammu & Kashmir Bank Ltd.):- Repayable in 80 Equal Monthly Installments w.e.f. 1st September 2025 at floating interest rate (Repo plus 1.85% spread with RBI Policy reset) of 8.10% p.a. on 31.03.2023 after 36 months of moratorium period. The Loan is Secured against hypothecation of movable and immovable assets of LTHPL.

Term Loan Secured (Bank of Baroda Ltd.):- Repayable in 80 Equal Monthly Installments w.e.f. At 1st March 2026 floating interest rate (G Sec. plus 0.60% spread with RBI Policy reset) of 7.65% p.a. on 31.03.2023 after 36 months of moratorium period. The Loan is Secured against hypothecation of movable and immovable assets of LTHPL.

During the year the company has complied with the above loan covenants.





Lanco Teesta Hydro Power Limited
(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U40109TG2000GOI034758

Notes forming part of the financial statements as on 31st March, 2023

Note No-33(4) :- Financial Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022.

S.No	Particulars	Numerator	Denominator	31st March 2023	31st March 2022	% Variance	Reason for variance
(a)	Current Ratio	Current Assets	Current Liabilities	0.29	0.29	-0.89	NA
(b)	Debt-Equity Ratio	Total Debts	Shareholder's Equity	0.35	0.00	-	NA
(c)	Debt Service Coverage Ratio	Earning Available for debt service	Debt Service	0	0	-	NA
(d)	Return on Equity Ratio (in %)	Profit After Tax	Average Shareholder's Equity	(0)	(0)	-	NA
(e)	Inventory turnover Ratio	Revenue From Operations	Average Inventory	NA	NA	-	NA
(f)	Trade Receivable turnover ratio	Revenue From Operations	Average Debtors	-	0	-	NA
(g)	Trade Payables turnover ratio	Purchases	Average Trade Payables	0.99	1.88	-46.72	Primarily on account of decline in CAT Plan Expenses.
(h)	Net Capital turnover ratio	Revenue From Operations	Working Capital	-	-	-	NA
(i)	Net Profit ratio (in %)	Net Profit	Revenue from operations	-	-	-	NA
(j)	Return on Capital Employed (in %)	Earning Before Interest and Taxes	Capital Employed (Total Assets - Current Liabilities)	-	-	-	NA
(k)	Return on Investment (in %)	Income generated from investments	Time weighted average investments	-	-	-	NA

Note 1 Company is required to give explanation for any change in the ratio by more than 25% as compared to the preceding year.



OR: 040109TQ1010000C34358

(Amount in Lakhs)

1.1. Addition of fixed assets on account of lease (New Purchase & CIP² Capitalized)

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MEETING NOTICE OF
THE SECURED CREDITORS OF NHPC LIMITED



Lanco Teesta Hydro Power Limited

(A Wholly Owned Subsidiary of NHPC Limited)
CIN : U01029TG2000G00034738

CHIEF EXECUTIVE OFFICER	411701	4.25
CHIEF FINANCIAL OFFICER	411702	4.25
CHIEF TECHNICAL OFFICER	411703	4.25
CHIEF OPERATING OFFICER	411704	4.25
CHIEF MARKETING OFFICER	411705	4.25
CHIEF COMPLIANCE OFFICER	411706	4.25
CHIEF INFORMATION TECHNOLOGY OFFICER	411707	4.25
CHIEF LEGAL OFFICER	411708	4.25
CHIEF HUMAN RESOURCES OFFICER	411709	4.25
CHIEF ENVIRONMENTAL OFFICER	411710	4.25
CHIEF SAFETY OFFICER	411711	4.25
CHIEF QUALITY OFFICER	411712	4.25
CHIEF RISK OFFICER	411713	4.25
CHIEF SOCIAL OFFICER	411714	4.25
CHIEF COMMUNITY OFFICER	411715	4.25
CHIEF CORPORATE AFFAIRS OFFICER	411716	4.25
CHIEF PUBLIC RELATIONS OFFICER	411717	4.25
CHIEF MEDIA OFFICER	411718	4.25
CHIEF DIGITAL OFFICER	411719	4.25
CHIEF ANALYTICS OFFICER	411720	4.25
CHIEF DATA OFFICER	411721	4.25
CHIEF AI OFFICER	411722	4.25
CHIEF ML OFFICER	411723	4.25
CHIEF DL OFFICER	411724	4.25
CHIEF NLP OFFICER	411725	4.25
CHIEF CV OFFICER	411726	4.25
CHIEF AS OFFICER	411727	4.25
CHIEF RL OFFICER	411728	4.25
CHIEF REINFORCEMENT OFFICER	411729	4.25
CHIEF DEEP LEARNING OFFICER	411730	4.25
CHIEF NEURAL NETWORK OFFICER	411731	4.25
CHIEF SUPPORT VECTOR OFFICER	411732	4.25
CHIEF DECISION TREE OFFICER	411733	4.25
CHIEF RANDOM FOREST OFFICER	411734	4.25
CHIEF BOOSTING OFFICER	411735	4.25
CHIEF BAGGING OFFICER	411736	4.25
CHIEF STACKED ENSEMBLE OFFICER	411737	4.25
CHIEF ADaboost OFFICER	411738	4.25
CHIEF Gradient Boosting OFFICER	411739	4.25
CHIEF XGBoost OFFICER	411740	4.25
CHIEF LightGBM OFFICER	411741	4.25
CHIEF CatBoost OFFICER	411742	4.25
CHIEF Pytorch OFFICER	411743	4.25
CHIEF TensorFlow OFFICER	411744	4.25
CHIEF Keras OFFICER	411745	4.25
CHIEF PySpark OFFICER	411746	4.25
CHIEF Hadoop OFFICER	411747	4.25
CHIEF MapReduce OFFICER	411748	4.25
CHIEF Hive OFFICER	411749	4.25
CHIEF Pig OFFICER	411750	4.25
CHIEF Tez OFFICER	411751	4.25
CHIEF Mahout OFFICER	411752	4.25
CHIEF HBase OFFICER	411753	4.25
CHIEF Cassandra OFFICER	411754	4.25
CHIEF MongoDB OFFICER	411755	4.25
CHIEF Redis OFFICER	411756	4.25
CHIEF Memcached OFFICER	411757	4.25
CHIEF Aerospike OFFICER	411758	4.25
CHIEF ScyllaDB OFFICER	411759	4.25
CHIEF CockroachDB OFFICER	411760	4.25
CHIEF YugabyteDB OFFICER	411761	4.25
CHIEF Google Cloud Spanner OFFICER	411762	4.25
CHIEF Amazon Redshift OFFICER	411763	4.25
CHIEF Snowflake OFFICER	411764	4.25
CHIEF Databricks OFFICER	411765	4.25
CHIEF Delta Lake OFFICER	411766	4.25
CHIEF Apache Iceberg OFFICER	411767	4.25
CHIEF Apache Parquet OFFICER	411768	4.25
CHIEF Apache Avro OFFICER	411769	4.25
CHIEF Apache Thrift OFFICER	411770	4.25
CHIEF Apache Arrow OFFICER	411771	4.25
CHIEF Apache Flink OFFICER	411772	4.25
CHIEF Apache Storm OFFICER	411773	4.25
CHIEF Apache Kafka OFFICER	411774	4.25
CHIEF Apache Pulsar OFFICER	411775	4.25
CHIEF Apache RocketMQ OFFICER	411776	4.25
CHIEF Apache Dubbo OFFICER	411777	4.25
CHIEF Apache Hudi OFFICER	411778	4.25
CHIEF Apache Kudu OFFICER	411779	4.25
CHIEF Apache Pinot OFFICER	411780	4.25
CHIEF Apache Druid OFFICER	411781	4.25
CHIEF Apache Solr OFFICER	411782	4.25
CHIEF Apache Lucene OFFICER	411783	4.25
CHIEF Apache Mahout OFFICER	411784	4.25
CHIEF Apache Mahout OFFICER	411785	4.25
CHIEF Apache Mahout OFFICER	411786	4.25
CHIEF Apache Mahout OFFICER	411787	4.25
CHIEF Apache Mahout OFFICER	411788	4.25
CHIEF Apache Mahout OFFICER	411789	4.25
CHIEF Apache Mahout OFFICER	411790	4.25
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CHIEF Apache Mahout OFFICER	411794	4.25
CHIEF Apache Mahout OFFICER	411795	4.25
CHIEF Apache Mahout OFFICER	411796	4.25
CHIEF Apache Mahout OFFICER	411797	4.25
CHIEF Apache Mahout OFFICER	411798	4.25
CHIEF Apache Mahout OFFICER	411799	4.25
CHIEF Apache Mahout OFFICER	411800	4.25



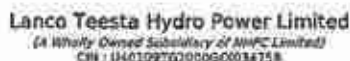
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(A Wholly-Owned Subsidiary of NPPC Limited)
CIN: U40108IN2000008034758

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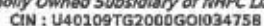


(A Wholly Owned Subsidiary of MPEC Limited)

CIN : U40109TG2000G0034758

C.E Addition or account of others transferred from subsidiary companies								
Sr. No.	Particulars of assets	Head of account	Gross Block (Rs.)	Net Block Addition (Rs.)	Name of Subsidiary Company	Folio number	Accumulated Depreciation till 31.03.2013	Gross Block Addition at Deemed Cost
							-	-
							-	-
							-	-
							-	-
	Total		-				-	-

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Summary of Addition / Deduction	Amount (Rs.)	Check Digit (should be)
1.1 Addition of Fixed assets on account of Others (New Purchases & C/NIP Capitalized)	-	-
1.2 Addition on account of others (Transfer in from Subsidiary companies)	-	-
1.3 Addition on account of inter unit transfers	-	-
2.1 Deductions on account of Others (Sale/Disposal/Write off)	-	-
2.2 Deductions on account of others (Transfer out to Subsidiary companies)	-	-
2.3 Deductions on account of Inter-unit Transfer	-	-
3. Addition / Deduction of Fixed assets on account of Adjustments (FERV, Re-classification, Capitalization Adjustments, Change in Head of Accts)	-	-
Total of Above check digits	-	-





Lanco Teesta Hydro Power Limited

(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U40109TG2000GOI034758

Annexures forming part of the financial statements as on 31st March, 2023

Annexure to Note 2.3 as at 31.03.2023

(Amount in Lakhs)

1.1 Addition of ROG on account of Others (New Purchases & CWP Capitalized)

Sl. No.	Particular of assets	Head of account	Gross block Adjusted (Rs.)
1	Lease Land from Shri Ramesh Tamang	413401	14.43
2	Lease Land from Shri Sunil Kumar Tamang	413401	5.26
3	LAND LEASE FROM ENERGY & POWER DEPARTMENT GOVT. OF	413401	123.41
4	LAND LEASE FROM SHREE JAGANNATH CHALISEY	413401	16.75
	Total		159.85

1.2 Addition on account of others (Transfer in from Subsidiary companies)

Sl. No.	Particular of assets	Head of account	Gross block (Rs.)	Net Block Addition (Rs.)	Name of Subsidiary Company	Advice number	Accumulated Depreciation till 31.03.2015	Gross Block Addition at Deemed Cost.
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
	Total		0					

1.3 Addition on account of Inter unit transfers

Sl. No.	Particular of assets	Head of account	Gross block (Rs.)	Detail of the Unit / Company from where Assets Received (Transferred in)		Advice number	Accumulated Depreciation till 31.03.2015	Gross Block Addition at Deemed Cost.
				Name of Unit / Company	Code of Unit / Company			
					e.g. 160, 101			-
								-
								-
								-
								-
								-
								-
								-
								-
								-
	Total		0					

(Amount in Lakhs)

2.1 Deductions on account of Others (Sale/Disposal/Write off)

Sl. No.	Particular of assets	Head of account	Gross block Addition (Rs.)	Accumulated Depreciation till 31.03.2015	Gross Block Deduction at Deemed Cost.
1	Right to Use Land from Govt. of Sikkim	410121	5.86	0	5.86
					-
					-
					-
					-
	Total		5.86		5.86



2.2 Deduction on account of others (Transfer out to Subsidiary companies)

Bt. No.	Particular of assets	Head of account	Gross block (Rs.)	Net Block Deduction (Rs.)	Name of Subsidiary Company	Advice number	Accumulated Depreciation till 31.03.2015	Gross Block Deduction at Deemed Cost.
								-
								-
								-
								-
								-
								-
Total			0					-

2.3 Deductions in account of Inter-unit Transfer

Deductions on account of inter-unit transfer								
Sl. No.	Particular of assets	Head of account	Gross block Deduction (Rs.)	Detail of the Unit / Company in which Assets Bant (Transferred Out)		Advice number	Accumulated Depreciation till 31.03.2015	Gross Block Deduction at Deemed Cost.
				Name of Unit / Company	Code of Unit / Company			
								-
								-
								-
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3. Addition / Deduction of Fixed assets on account of Adjustments

IFRV, Reclassification, Capitalization Adjustments, Change in Head of Account)

Sr. No.	Particular of assets	Head of account	Gross Block Adjusted (Rs.) (+) for Addition, (-) for Deduction)	Accumulated Depreciation till 31.03.2015	Gross Block Adjusted at Deemed Cost.	Nature
Total			8			





Lanco Teesta Hydro Power Limited

(A Wholly Owned Subsidiary of NHPC Limited)

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Annexures forming part of the financial statements as on 31st March, 2023

Annexure to Note 2.2 CUMMULATIVE EDC

(Amount in Lakhs)

Particulars	Linkage	31.03.2023	31.03.2022
A. EMPLOYEES BENEFITS EXPENSES			
	437501 &		
	437509 &		
	437505 &		
Salaries, wages, allowances	437500	12,121.94	9,077.97
Gratuity and contribution to provident fund (including administration fees)	437502	1,040.02	531.15
Staff welfare expenses	437503	407.44	263.07
Leave Salary & Pension Contribution	437504	-	-
Sub-total(a)		13,569.40	9,972.19
Less: Capitalized During the year/Period	438103	-	-
Sub-total(A)		13,569.40	9,972.19
B. OTHER EXPENSES			
CONSUMPTION OF STORES AND SPARES AT PROJECTS GENERATING INFIRM POWER	437507	-	-
REPAIR AND MAINTENANCE- DAM/WATER REGULATING SYSTEM AT PROJECTS GENERATING INFIRM POWER	437508	-	-
REPAIR AND MAINTENANCE- GPM/ OTHER POWER PLANT SYSTEM AT PROJECTS GENERATING INFIRM POWER	437509	-	-
Repairs-Building	437510	375.32	225.77
Repairs-Machinery	437511	0.03	0.03
Repairs-Others	437512	330.27	299.15
Rent	437514 &	1,229.93	985.60
	437588		
Rates and taxes	437515	373.49	352.69
Insurance	437516	2,440.21	2,440.21
Security expenses	437517	789.72	590.09
Electricity Charges	437518	89.35	74.92
Travelling and Conveyance	437519	775.01	758.59
Expenses on vehicles	437520	-	-
Telephone, telex and Postage	437521	191.09	144.05
Advertisement and publicity	437522	-	-
Entertainment and hospitality expenses	437523	-	-
Printing and stationery	437524	87.77	68.43
Remuneration to Auditors	437552	5.90	5.90
Design and Consultancy charges:			
- Indigenous	437525	11,831.66	11,555.18
- Foreign	437527	-	-
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	437531	3,097.05	3,093.15
Expenditure on land not belonging to corporation	437532	53.24	53.24
Land acquisition and rehabilitation	437533	-	-
EXPENDITURE ON WORK OF DOWNSTREAM PROTECTION WORKS	437538	-	-
EAC - LEASE RENT	437534	168.98	155.84
Loss on assets/ materials written off	437528	7.56	7.56
Losses on sale of assets	437530	-	-
Other general expenses	437525 &	1,321.11	1,241.69
	437535		
Sub-total (b)		22,965.88	22,052.06
Less: Capitalized During the year/Period	438102	-	-
Sub-total(B)		22,965.88	22,052.06





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Annexures forming part of the financial statements as on 31st March,2023

C. FINANCE COST			
i) Interest on :			
a) Government of India loan	437540	-	-
b) Bonds	437541	-	-
c) Foreign loan	437542	-	-
d) Term loan	437543 and 44	1,87,540.10	1,86,183.05
e) Cash credit facilities /WCDL	437545	-	-
cost	437546	-	-
Loss on Hedging Transactions	437555	-	-
ii) Bond issue/ service expenses	437546	-	-
iii) Commitment fee	437547	-	-
iv) Guarantee fee on loan	437548	203.87	-
v) Other finance charges	437549	474.64	474.64
vi) EAC- INTEREST ON LOANS FROM CENTRAL GOVERNMENT-ADJUSTMENT ON ACCOUNT OF EFFECTIVE INTEREST	437581	-	-
vii) EAC- INTEREST ON SECURITY DEPOSIT/ RETENTION MONEY-ADJUSTMENT ON ACCOUNT OF EFFECTIVE INTEREST	437583	169.84	14.83
viii) EAC- COMMITTED CAPITAL EXPENSES- ADJUSTMENT FOR TIME VALUE	437585	-	-
ix) EAC- INTEREST ON FC LOANS - EFFECTIVE INTEREST ADJUSTMENT	437590	-	-
x) EAC- INTEREST EXPENSES - UNDER LEASE (IND AS)	437587	98.73	57.82
Sub-total (c)		1,88,487.17	1,86,730.35
Less: Capitalized During the year/Period	438105	-	-
Sub-total (C)		1,88,487.17	1,86,730.35
D. EXCHANGE RATE VARIATION (NET)			
i) ERV (Debit balance)	437550	0.01	0.01
Less: ii) ERV (Credit balance)	437551	-	-
Sub-total (d)		0.01	0.01
Less: Capitalized During the year/Period	438108	-	-
Sub-total (D)		0.01	0.01
E. PROVISIONS			
Sub-total (e)	437561	-	-
Less: Capitalized During the year/Period	438106	-	-
Sub-total (E)		-	-
F. DEPRECIATION & AMORTISATION			
Sub-total (f)	437560	423.78	257.78
Less: Capitalized During the year/Period	437565	317.67	164.06
Sub-total (F)	438104	741.63	421.84
G. PRIOR PERIOD EXPENSES (NET)			
Prior period expenses	437566	-	-
Less Prior period income	437579	-	-
Sub-total (g)		-	-
Less: Capitalized During the year/Period	438107	-	-
Sub-total (G)		-	-





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Annexures forming part of the financial statements as on 31st March,2023

H. LESS : RECEIPTS AND RECOVERIES			
i) Income from generation of electricity – precommissioning	437570	-	-
ii) Interest on loans and advances	437571	2,643.68	780.70
iii) Miscellaneous receipts	437572	1,473.98	1,315.79
iv) Profit on sale of assets	437573	-	-
v) Provision not required written back	437574	-	-
vi) Hire charges/ outturn on plant and machinery	437575	-	-
vii) EAC-FAIR VALUE GAIN - SECURITY DEPOSIT/ RETENTION MONEY	437582	-	-
viii) EAC-MTM Gain on derivatives	437580	-	-
ix) EAC- FAIR VALUE GAIN ON PROVISIONS FOR COMMITTED CAPITAL EXPENDITURE	437584	-	-
Sub-total (h)		4,117.65	2,096.49
Less: Capitalized During the year/Period	438101		
Sub-total (H)		4,117.65	2,096.49
I. C.O./Regional Office Expenses (i)	437599		
Less: Capitalized During the year/Period	438109		
Sub-total (I)			
GRAND TOTAL (a+b+c+d+e+f+g-h+i)		2,21,646.23	2,17,079.97
Less: Capitalized During the year/Period			
GRAND TOTAL (A+B+C+D+E+F+G-H+I)		2,21,646.23	2,17,079.97





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Annexure for reporting of transaction pertaining to previous period i.e. period prior to FY 2022-23

Entries relating to prior period passed through natural head of accounts relating to Income & Expenditure, Assets & Liabilities during year ended 31.3.2023 (Amount in Lakhs)

S.No.	Head Of Account	Account Description	Dr/Cr	Amount of Prior Period	Reasons for prior period
				0	0
				0	0
				0	0
				0	0
				0	0
				0	0
				0	0

Summary of Prior Period Adjustments made during year ended 31.3.2023

S.No.	Nature	Amount of Prior Period Adjustment	Year from which error pertains
A.	Income	0	0
	Revenue from Operations	0	0
	Other Income	0	0
	Total Income (A)	0	0
B.	Expense	0	0
	Generation and Other Expenses	0	0
	Employee Benefits Expense	0	0
	Finance Cost	0	0
	Depreciation & Amortization Expenses	0	0
	Total expenses (B)	0	0
C.	ASSETS	0	0
1.	NON-CURRENT ASSETS	0	0
a)	Property Plant & Equipment	0	0
b)	Capital Work in Progress	0	0
c)	Investment Property	0	0
d)	Other Intangible Assets	0	0
e)	Financial Assets	0	0
	ii) Investments	0	0
	iii) Trade Receivables	0	0
	iii) Loans	0	0
	iv) Others	0	0
f)	Deferred Tax Assets (net)	0	0
g)	Other Non Current Assets	0	0
	Non Current Assets - Regulatory Assets	0	0
2.	CURRENT ASSETS	0	0
a)	Inventories	0	0
b)	Financial Assets	0	0
	i) Investments	0	0
	ii) Trade Receivables	0	0
	iii) Cash & Cash Equivalents	0	0
	iii) Bank balances	0	0
	iv) Loans	0	0
	v) Others	0	0
c)	Current Tax Assets (Net)	0	0
d)	Other Current Assets	0	0
	TOTAL ASSETS (C)	0	0
D.	LIABILITIES	0	0
1.	NON-CURRENT LIABILITIES	0	0
a)	Financial Liabilities	0	0
	i) Borrowings	0	0
	ii) Trade Payables	0	0
	Total outstanding dues of micro enterprises and small enterprises	0	0
	Total outstanding dues of Creditors other than micro enterprises and small enterprises	0	0
	iii) Other financial liabilities	0	0
b)	Provisions	0	0
c)	Deferred Tax Liabilities (Net)	0	0
d)	Other non-current Liabilities	0	0
2.	CURRENT LIABILITIES	0	0
a)	Financial Liabilities	0	0
	i) Borrowings	0	0
	ii) Trade Payables	0	0
	iii) Other financial liabilities	0	0
b)	Other Current Liabilities	0	0
c)	Provisions	0	0
d)	Current Tax Liabilities (Net)	0	0





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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 ₹ Nil (Previous year ₹ Nil) 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 ₹ Nil (Previous year ₹ Nil) 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 ₹ Nil (Previous year ₹ Nil) based on probability of outflow of resources embodying economic benefits and estimated ₹ Nil (Previous year ₹ Nil) 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 ₹ Nil (Previous year ₹ Nil) before various authorities/courts. Pending settlement, the Company has assessed and provided an amount of ₹ Nil (Previous year ₹ Nil) based on probability of outflow of resources embodying economic benefits and estimated ₹ Nil (Previous year ₹ Nil) 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 ₹ Nil (Previous year ₹ Nil). Pending settlement, the Company has assessed and provided an amount of ₹ Nil (Previous year ₹ Nil) based on probability of outflow of resources embodying economic benefits and ₹ Nil (Previous year ₹ Nil) 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 ₹ Nil (Previous year ₹ Nil). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ Nil (Previous year ₹ Nil) based on probability of outflow of resources embodying economic benefits and estimated ₹ Nil (Previous year ₹ Nil) 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.





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The above is summarized as below:

(Amount in Lakhs)

Sl. No.	Particulars	Claims as on 31.03.2023	up to date Provision against the claims	Contingent liability as on 31.03.2023	Contingent liability as on 31.03.2022	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2022
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	Nil	Nil	Nil	Nil	Nil	Nil
2.	Land Compensation cases	Nil	Nil	Nil	Nil	Nil	Nil
3.	Disputed tax matters	Nil	Nil	Nil	Nil	Nil	Nil
4.	Others	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil	Nil

(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 ₹ Nil (Previous year ₹ Nil) towards above Contingent Liabilities.

(e) (i) An amount of ₹ Nil (Previous year ₹ Nil) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/being challenged by the Company in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also refer Note No. 5).

(ii) An amount of ₹ Nil (Previous year ₹ Nil) stands paid /deposited with courts/paid as per Court Order towards above contingent liabilities to contest the cases and has been shown under Other Non-Current/ Current Assets/adjusted against other liabilities of the claimants. (Also refer Note no. 5 and 13)

(f) The Management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

(g) Category of agency wise details of contingent liabilities as at 31.03.2023 are as under:





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(Amount in Lakhs)

Sl. No.	Particulars	Claims as on 31.03.2023	up to date Provision against the claims	Contingent liability as on 31.03.2023	Contingent liability as on 31.03.2022	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2022
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1	Central Government departments	NIL	NIL	NIL	NIL	NIL	NIL
2	State Government departments or Local Bodies	NIL	NIL	NIL	NIL	NIL	NIL
3	Central Public Sector Enterprises (CPSEs)	NIL	NIL	NIL	NIL	NIL	NIL
4	Others	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL	NIL	NIL	NIL

2. **Contingent Assets:** Contingent assets in respect of the Company are NIL (Previous Year NIL).

3. **Commitments (to the extent not provided for):**

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(Amount in Lakhs)

Sl. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	227623.99	296044.28
2.	Intangible Assets	0	0
	Total	227623.99	296044.28

4. **The effect of foreign exchange rate variation (FERV) during the year are as under:**

(Amount in Lakhs)

Sl. No.	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
(i)	Amount charged to Statement of Profit and Loss as FERV	NIL	NIL
(ii)	Amount charged to Statement of Profit and Loss as Borrowing Cost*	NIL	NIL





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(iii)	Amount recognised in Regulatory Deferral Account Balances	NIL	NIL
(iv)	Amount recognised in Regulatory Deferral Account Balances	NIL	NIL

5. Operating Segment:

- Electricity generation is the principal business activity of the Company.
- The Company has a single geographical segment as single Construction Project which is located within the Country.

6. Disclosures under Ind AS-24 "Related Party Disclosures":

(A) List of Related parties:

(i) Parent Company:

Name of Company	Principal place of operation
NHPC Limited	India

(ii) Key Managerial Personnel:

Sl. No.	Name	Position Held
1	SHRI BISWAJIT BASU	CHAIRMAN
2	SHRI MILIND GANESH GOKHALE	DIRECTOR
3	SHRI ASHOK KUMAR NAURIYAL	DIRECTOR
4	DR. KAMLA FARTYAL	DIRECTOR
5	SHRI SATYENDRA NATH UPADHYAY	DIRECTOR
6	SHRI SHYAMA PRASAD MUKHERJEE	CEO
7	SHRI SHARAD CHANDRA	CFO
8	SHRI TARUN AHUJA	CS

(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





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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 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 material / significant transaction carried out with the Central Public Sector Enterprises/ Govt. Agencies only have been disclosed. Transactions with these related parties are carried out in the ordinary course of business at normal commercial terms.

Sl. No.	Name of the Government	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over Holding company
2	NHPC Limited	Holding Company
3	Central/State controlled PSU	Entities controlled by the same Government (Central Government/State Govt.) that has control over Holding Company

(B) Transactions and Balances with related parties are as follows:

(i) Transactions and Balances with Parent

(Amount in Lakhs)

Transactions with Parent	For the Year ended 31.03.2023	For the Year ended 31.03.2022
(i)	(ii)	(iii)
Services received by the Company from		
▪ NHPC	1194.16	1220.49
Dividend paid by the company to		
▪ NHPC	NIL	NIL
Equity contributions (including share application money) received by the company from:		
▪ NHPC	28391.00	44500.00
Reimbursement of Cost of employee on deputation/Posted by		
▪ NHPC	110.00	1,80.31
Loans & Advances given by the Company to:		
▪ NHPC	NIL	NIL
Loans & Advances received by the Company from:		





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▪ NHPC	26000.00	NIL
Loans & Advances repaid by the Company to:		
▪ NHPC	20000.00	NIL
Interest Paid/Accrued during the Year		
▪ NHPC	231.68	NIL

(Amount in Lakhs)

Balances with Parent	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Receivable (unsecured) from		
▪ NHPC	237.04	187.83
Payable (unsecured) to		
▪ NHPC	315.60	313.21
Investment in Equity by		
▪ NHPC	172441.00	144050.00
Loans & Advances Receivable from:		
▪ NHPC	NIL	NIL
Loans Payable to:		
▪ NHPC	6000.00	NIL
Interest Accrued but not due on Loan from		
▪ NHPC	6.15	NIL
Corporate Guarantee from:		
▪ NHPC	55357.70	NIL

(ii) Transactions and Balances with Key Management Personnel:

(Amount in Lakhs)

Particulars	Transactions for the year ended 31.03.2023 and Balances as at 31.03.2023						
Key management Personnel (KMP)	Compensation to Key Management Personnel				Other transactions & Balances		
	Short Term Employee Benefits	Post-Employment Benefits	Other Long Term Benefits	Termination Benefits	Interest received on outstanding loans	Sitting Fee	Outstanding Loans receivable
1. Whole Time Directors							





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	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Government/State Nominee Directors							
	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3. Company Secretary/CFO/CEO							
CEO: Shyama Prasad Mukherjee	91.46	NIL	NIL	NIL	NIL	NIL	NIL
CFO: Sharad Chandra	51.53	NIL	NIL	NIL	NIL	NIL	NIL

(Amount in Lakhs)

Particulars	Transactions for the year ended 31.03.2022 and Balances as at 31.03.2022						
Key management Personnel (KMP)	Compensation to Key Management Personnel				Other transactions & Balances		
Name & PAN	Short Term Employee Benefits	Post-Employment Benefits	Other Long-Term Benefits	Termination Benefits	Interest received on outstanding loans	Sitting Fee	Outstanding Loans receivable
1. Whole Time Directors							
	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Government/State Nominee Directors							
	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3. Company Secretary/CFO/CEO							
CEO: Shyama Prasad Mukherjee	58.95						
CFO: Sharad Chandra	16.09	NIL	NIL	NIL	NIL	NIL	NIL





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(iii) Transactions & Balances with Post-Employment Benefit Plans

(Amount in Lakhs)

Post-Employment Benefit Plans (Name & PAN)	Contribution by the company (Net of Refund from Post - Employment Benefit Plans)		Balances with Post - Employment Benefit Plans	
	For the year ended 31.03.2023	For the year ended 31.03.2022	As at 31.03.2023	As at 31.03.2022
NHPC Limited Employees Provident Fund	NIL	NIL	NIL	NIL
NHPC Limited Employees Group Gratuity Assurance Fund	NIL	NIL	NIL	NIL
NHPC Limited Retired Employees Health Scheme Trust	NIL	NIL	NIL	NIL
NHPC Limited Employees Social Security Scheme Trust	NIL	NIL	NIL	NIL
NHPC Limited Employees Defined Contribution Superannuation Scheme Trust	NIL	NIL	NIL	NIL
NHPC Limited Employee Leave Encashment Trust	NIL	NIL	NIL	NIL

(iv) Significant Transactions with Government that has control over the Parent Company (i.e. Central Government)

(Amount in Lakhs)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
(i)	(ii)	(iii)
Services Received by the Company	NIL	NIL
Services Provided by the Company	NIL	NIL
Sale of goods (Electricity) by the Company	NIL	NIL
Dividend Paid during the year	NIL	NIL
Subordinate Debts received by the company	NIL	NIL
Interest on Subordinate debts paid by company (including interest accrued)	NIL	NIL

(v) Outstanding balances and guarantees with Central Government:





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Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Balances with Central Government (that has control over the Company)		
▪ Loan Payable to Government (Subordinate debts)	NIL	NIL
▪ Payables (unsecured)	NIL	NIL
▪ Receivables (Unsecured)	NIL	NIL

(vi) Transactions with entities controlled by the Government that has control over the Parent Company (i.e CPSUs)

Name of Entity/ Govt. Agency along with PAN & CIN	Nature of Transaction	Detail of Transaction	(Amount in Lakhs)	
			For the year ended 31.03.2023	For the year ended 31.03.2022
POWER GRID CORPORATION OF INDIA LIMITED	Services received by the Company	Contractual Payment	2868.75	1225.76
BHARAT HEAVY ELECTRICALS LIMITED	Services received by the Company	Contractual Payment	4173.76	16.10
Central Water and Power Research Station	Services received by the Company	Contractual Payment	NIL	NIL
NMDC LIMITED	Services received by the Company	Office Rent	2.53	2.22

(vii) Outstanding balances and guarantees with Entities Controlled by Central Government:

(Amount in Lakhs)

Name of Related Party	Nature of Balance	As at 31.03.2023	As at 31.03.2022
POWER GRID CORPORATION OF INDIA LIMITED	Payable (Unsecured)	NIL	NIL
	Receivable (Unsecured)	4650.25	1781.50
BHARAT HEAVY ELECTRICALS LIMITED	Payable (Unsecured)	206.51	15.83
	Receivable (Unsecured)	NIL	NIL
	Payable (Unsecured)	NIL	NIL





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CENTRAL WATER AND POWER RESEARCH STATION	Receivable (Unsecured)	50.80	50.80
NMDC LIMITED	Payable (Unsecured)	5.17	2.86
	Receivable (Unsecured)	NIL	NIL

(C) Other notes to related party transactions:

(i) Terms and conditions of transactions with the related parties:

- Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms-length basis 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.
- Consultancy services received by the Company from parent company are generally on nomination basis at the terms, conditions and principles applicable for consultancy services received from other parties.
- Outstanding balances of parent company as on 31.03.2023 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.

7. Particulars of Security: The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.

(Amount in Lakhs)

Sl. No	Particulars	As at 31.03.2023	As at 31.03.2022
	First Charge		
1	Property Plant and Equipment	1442.11	NIL
2	Capital Work In Progress	53557.89	NIL
	Total	55000.00	NIL

8. Disclosures under Ind AS-19 "Employee Benefits":

Employee benefit obligations in respect of employees of Parent Company posted at Lanco Teesta Hydro Power Limited have been recognised by the parent company on the basis of actuarial valuation. Corresponding expenditure is borne by the company and recognised in the financial statement of company.

9. Particulars of income and expenditure in foreign currency and consumption of spares are as under:

(Amount in Lakhs)

Sl. No.	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
---------	-------------	-------------------------------	-------------------------------





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a)	Expenditure in Foreign Currency		
i)	Interest	NIL	NIL
ii)	Other Misc. Matters	NIL	NIL
b)	Value of spare parts and Components consumed in operating units.		
i)	Imported	NIL	NIL
ii)	Indigenous	NIL	NIL

10. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	0	0
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	0	0
Par value per share (₹)	10	10

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Net Profit after Tax but before Regulatory Income used as numerator (₹ in..)	-22.49	-20.19
Net Profit after Tax and Regulatory Income used as numerator (₹ in..)	-22.49	-20.19

c) Reconciliation of weighted average number of shares used as denominator:

Nos in Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Weighted Average number of equity shares used as denominator	16699.22	11301.36

11. Disclosure related to Confirmation of Balances is as under: -

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, loans (other than employees), advances for Capital expenditure, Trade Receivable, Advances to Contractors, Trade Payable and Deposits/Earnest money from contractors other than as given at below are subject to





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reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.

- (b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, loans (other than employees), Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors have been sought for outstanding balances of ₹ 5 Lakhs or above in respect of each party as at 31st December, 2022. Status of confirmation of balances as at December 31, 2022 as well as amount outstanding as on 31.03.2023 is as under:

(Amount in Lakhs)

Particulars	Outstanding amount as on 31.12.2022	Amount confirmed	Outstanding amount as on 31.03.2023
Trade receivable (including interest receivable from Beneficiaries)	0	0	0
Deposits, Loans, Advances to contractors/ suppliers/ service providers/ others including for capital expenditure and material issued to contractors	25144.20	25102.42	27475.62
Trade/Other payables	263.45	247.47	7170.67
Security Deposit/Retention Money payable	3632.17	3610.17	3360.60

- (c) In the opinion of the management, unconfirmed balances will not require any adjustment having any material impact on the Financial Statements of the Company.

12. Disclosure related to Corporate Social Responsibility (CSR) (Refer Note 29)

- (i) The breakup of CSR expenditure under various heads of expenses incurred is as below: -

(Amount in Lakhs)

Sl. No.	Heads of Expenses constituting CSR expenses	For the year ended 31.03.2023	For the year ended 31.03.2022
1	Health Care and Sanitation	Nil	Nil
2	Education and Skill Development	Nil	Nil
3	Women Empowerment /Senior Citizen	Nil	Nil
4	Environment	Nil	Nil
5	Art and Culture	Nil	Nil





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Sl. No.	Heads of Expenses constituting CSR expenses	For the year ended 31.03.2023	For the year ended 31.03.2022
6	Ex-Armed Forces	Nil	Nil
7	Sports	Nil	Nil
8	National Welfare Fund	Nil	Nil
9	Rural Development	Nil	5.28
10	Capacity Building	Nil	Nil
11	Swachh Vidyalaya Abhiyan	Nil	Nil
12	Swachh Bharat Abhiyan	Nil	Nil
13	Contribution to PM CARES Fund	Nil	Nil
14	Disaster Management	Nil	Nil
15	Administrative overhead	Nil	Nil
	Total amount	Nil	5.28

(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:-

(Amount in Lakhs)

Purpose	For the year ended 31.03.2023			For the year ended 31.03.2022		
	Paid in cash (a)	Yet to be paid in cash (b)	Total (a+b)	Paid in cash (a)	Yet to be paid in cash (b)	Total (a+b)
(i) Construction/Acquisition of any asset	Nil	Nil	Nil	Nil	5.28	5.28
(ii) For purpose other than (i) above	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	5.28	5.28

- (b) As stated above, a sum of ₹ Nil out of total expenditure of ₹ Nil 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 ₹ Nil for financial year 2022-23 (based on 2% of average net profit of preceding three financial years).
- (iv) The Board of Directors had allocated a total budget of ₹ Nil towards CSR for financial year 2022-23.





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13. 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:

(Amount in Lakhs)

Sl. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date: a) Trade Payables: -Principal -Interest b) Others: -Principal -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.	-	-

14. Disclosures regarding leases as per IND AS -116 "Leases":

A) Company as Lessee:

(i) Transition to Ind AS 116:

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.





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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company has applied the following practical expedients on initial application of Ind AS 116:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- 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.
- Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The weighted average incremental borrowing rate applied to leases recognised during FY 2022-23 is 6.58%.

(ii) **Nature of lease:** The Company's significant leasing arrangements are in respect of the following assets:

- Premises under cancellable lease arrangements for residential use of employees ranging from 3-4 months to three years.
- Premises for offices, guest houses and transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.
- Land obtained on lease for construction of projects and / or administrative offices.
- Vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable.
- Amount recognised in the Statement of Profit and Loss/ Expenditure Attributable to Construction in respect of short term, low value and variable lease are as under:

(Amount in Lakhs)

S. No	Description	31.03.2023	31.03.2022
1	Expenditure on short-term leases	10.31	66.62
2	Expenditure on lease of low-value assets	0	0
3	Variable lease payments not included in the measurement of lease liabilities	0.83	30.98

(iii) Commitment for Short Term Leases as on 31.03.2023 is ₹ Nil (Previous Year ₹ Nil).

(iv) Movement in lease liabilities during the year:





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(Amount in Lakhs)

Particulars	31.03.2023	31.03.2022
Opening Balance	329.77	205.93
Additions in lease liabilities	159.86	202.82
Finance cost accrued during the year	40.92	31.11
Less: Payment of lease liabilities	170.51	110.09
Closing Balance	360.04	329.77

15. Disclosures under Ind AS-27 'Separate Financial Statements':

Interest of Parent:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership Interest as at	
			31.03.2023	31.03.2022
NHPC Limited	India	Power Generation	100%	100%

16. 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 the project entrusted to the company are under tendering/award/construction stage and no cash generating unit (CGU) exist as on date and there exist no indication that would indicate for impairment of any of the CGUs during FY 2022-23.

17. 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):





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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.

18. Following is the disclosure regarding "borrowings from banks or financial institutions on the basis of security of current assets" as per requirement of Schedule-III of the Companies Act, 2013:

Quarter	Name of the Bank	Particulars of Security provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June, 2022	Nil	Nil	Nil	Nil	Nil	Nil
Sept, 2022	Nil	Nil	Nil	Nil	Nil	Nil
Dec, 2022	Nil	Nil	Nil	Nil	Nil	Nil
Mar, 2023	Nil	Nil	Nil	Nil	Nil	Nil

19. Disclosure regarding Relationship with Struck off Companies: Following is the disclosure regarding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as per requirement of Schedule-III of the Companies Act, 2013:

Name of the struck off company	Nature of transactions with struck off company	Balance Outstanding as at 31.03.2023	Relationship with the struck off company, if any, to be disclosed	Balance Outstanding as at 31.03.2022	Relationship with the struck off company, if any, to be disclosed
Nil	Investment in securities	Nil	Nil	Nil	Nil
Nil	Receivables	Nil	Nil	Nil	Nil
Nil	Payables	Nil	Nil	Nil	Nil
Nil	Shares held by struck off company	Nil	Nil	Nil	Nil
Nil	Other outstanding balances (to be specified)	Nil	Nil	Nil	Nil





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20. Disclosure regarding Registration of charges or satisfaction with Registrar of Companies (ROC):
Following is the disclosure as per requirement of Schedule-III of the Companies Act, 2013, where any charges or satisfaction yet to be registered with ROC beyond the statutory period:

Brief description of the charges or satisfaction	Location of the Registrar	Period (in days or months) by which such charge had to be registered	Reason for delay in registration
Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil

21. Impact of change in the accounting policies:

Description of change	Impact on the Statement of Profit/Loss for FY 2022-23 - Increase in Profit/ (Decrease in Profit)	Impact on the Line Item of Balance Sheet as at 31.03.2023
Accounting Policy on Recognition of Carbon Credits/ CERs/VERs	Nil	Nil
Change in the useful life of the assets provided to employees at Residential Office for charging of depreciation	Nil	Nil

22. Disclosure regarding details of Benami Property held: The Company does not have any pending proceedings under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
23. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
24. The Company has not been declared wilful defaulter by any bank or financial institutions or other lenders.
25. Disclosure regarding Utilisation of Borrowed funds and share premium as per requirement of Schedule-III. Nil





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26. Disclosure on Compliance with approved Scheme(s) of Arrangements:

The Board of Directors of the Company, in its meeting held on 2nd September 2021, has approved the merger or amalgamation of Lanco Teesta Hydro Power Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited under Sections 230-232 of the Companies Act, 2013 and other statutory provisions as per the terms and conditions mentioned in the Scheme of Amalgamation (the Scheme). The scheme has been filed with the Ministry of Corporate Affairs on August 10, 2022, and in this respect, approval is pending.

27. Disclosure on Undisclosed Income:


The Company has not surrendered or disclosed any income which was not recorded in the books of accounts during the year in the tax assessment under the Income Tax Act, 1961. Further the Company does not have any previously unrecorded income and related assets.

28. Against the capacity of 500 MW currently under construction, the Company has signed Power Purchasing Agreement (PPA) with the Chhattisgarh State Power Distribution Company Limited (CSPDCL) for purchasing 300 MW of power. In respect of the balance 200 MW, efforts are being made to execute long-term PPAs with other DISCOMS. The Project is scheduled to be commissioned in August, 2026.

29. Previous year's figures have been re-grouped or re-arranged wherever so required to make them comparable with current year figures

In terms of our report of even date

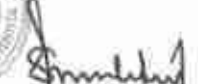
For KGRS & Co.
Chartered Accountants
Firm Registration No. 310014E


(S. N. Upadhyay)
Director
DIN: 09260778



(A. K. Nauriyal)
Director
DIN: 09451983



(D. Debnath)
Partner
Membership No. 309841


(S. P. Mukherjee)
Chief Executive Officer
PAN: AAAPM0725E


(Sharad Chandra)
Chief Financial Officer
PAN: ADCPC3571D


(Tarun Ahuja)
Company Secretary
M.No. A37925

Place: Balutar, Sikkim
Date: 05th May 2023





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Annexure-1

Transactions with entities controlled by the Government that has control over the Company/ Govt. Agency

Name of Related Party	PAN	CIN	Nature of Transaction	Nature of Transaction by the Company	(Amount in Lakhs)	
					For the period ended 31.03.2023	For the period ended 31.03.2022
Power Grid Corporation of India Limited (PGCIL)	AAACF0325	U40101DL389G0038121	Services Received by the Company	Contractual Payment	2,808.29	1,225.76
Bharat Heavy Electricals Limited (BHEL)	AAACB4146P	U74999DL3964G01004281	Services Received by the Company	Contractual Payment	4,172.76	16.10
Central Water and Power Research Station	AAAB4T0741L		Services Received by the Company	Contractual Payment	NIL	NIL
NHPC LIMITED	AAACN7323A	U73100TG1958P1C000797	Services Received by the Company	Office Rent	2.53	2.22

Outstanding Balances and guarantees with Related Parties

Name of Related Parties	Nature of Relationship	Nature of Transaction	PAN	CIN	(Amount in Lakhs)	
					As at 31.12.2022	As at 31.03.2022
Power Grid Corporation of India Limited (PGCIL)	Balances with Entities controlled by the Government that has control over the Company	Receivable - Unsecured	AAACF0325	U40101DL389G0038121	4,650.25	1,781.50
		Payable - Unsecured			NIL	NIL
Bharat Heavy Electricals Limited (BHEL)	Balances with Entities controlled by the Government that has control over the Company	Receivable - Unsecured	AAACB4146P	U74999DL3964G01004281	NIL	NIL
		Payable - Unsecured			206.53	15.83
Central Water and Power Research Station	Balances with Entities controlled by the Government that has control over the Company	Receivable - Unsecured	AAAB4T0741L		50.80	50.80
		Payable - Unsecured			NIL	NIL
NHPC LIMITED	Balances with Entities controlled by the Government that has control over the Company	Receivable - Unsecured	AAACN7323A	U73100TG1958P1C000797	NIL	NIL
		Payable - Unsecured			5.27	2.86





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(iii) Compensation to Key Management Personnel and Balances

S.No.	Name of KMP with PAN for FY 2022-23	PAN
	Whole Time Directors	
	Part time Nominee Directors	
1.	SHRI BEWALIT BASU	AGPM0093L
2.	SHRI MILIND GANESH GORHALE	AAGP6538GD
3.	SHRI ASHOK KUMAR NAURITIAL	AAUPN867BH
4.	DR. KAMLA FARTYAL	AAZPF5403E
5.	SHRI SATYENDRA NATH UPADHYAY	AAAPL664BA
6.	SHRI SHYAMA PRASAD MUKHERJEE	AAATM0725E
	Independent Directors	
	Government Nominee Directors	
	CEO & Company Secretary	
1.	SHRI SHYAMA PRASAD MUKHERJEE	AAATM0725E
2.	SHRI SHARAD CHANDRA	ADCPCL57JD
3.	SHRI TARUN AHUJA	AAQTA119ME

S.No.	Name of KMP with PAN for FY 2021-22	PAN
	Whole Time Directors	
	Part time Nominee Directors	
1.	SHRI BEWALIT BASU	AGPM0093L
2.	SHRI MILIND GANESH GORHALE	AAGP6538GD
3.	SHRI ASHOK KUMAR NAURITIAL	AAUPN867BH
4.	DR. KAMLA FARTYAL	AAZPF5403E
5.	SHRI SATYENDRA NATH UPADHYAY	AAAPL664BA
6.	SHRI SHYAMA PRASAD MUKHERJEE	AAATM0725E
	Independent Directors	
	Government Nominee Directors	
	CEO & Company Secretary	
1.	SHRI SHYAMA PRASAD MUKHERJEE	AAATM0725E
2.	SHRI SHARAD CHANDRA	ADCPCL57JD
3.	SHRI TARUN AHUJA	AAQTA119ME





LANCO TEESTA HYDRO POWER LIMITED

(A Wholly Owned Subsidiary of NHPC Limited)

CIN : U40109TG2000GOI034758

Annexure-I

Model for disclosure of fair value under Note 33(1B)

Model for Calculation of Fair value of Retention Money for Disclosure

Retention Money		31.03.2023
Outstanding non-current Undiscounted Amount		3,340.25
Fair Value- Non Current portion		2720.95
Discount Rate for fair value disclosure		7.99%
<u>Statement of cash outFlow and Present value for Disclosure</u>		
Date of refund	Amount Refunded	Fair Value
		7.99%
31-Mar-23	0	2720.95
30-Jun-24	237.35	
31-Jul-24	0.70	
31-Aug-24	62.08	
31-Dec-24	279.47	
28-Feb-26	2553.59	
31-Mar-26	207.06	
	3340.25	2720.95



K G SOMANI & CO LLP Chartered Accountants 3/15, Asaf Ali Road, 4th Floor Near Delite Cinema, New Delhi – 110002	CHATURVEDI & CO. Chartered Accountants 2 nd Floor, Park Centre, 24, Park Street, Kolkata-700 016	P C BINDAL & CO. Chartered Accountants Krishen Niwas, House No. 153 Rajbagh, Srinagar -190001
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Introduction

1. This Certificate is issued in accordance with the terms of our engagement letter dated June 06, 2022.
2. We, the statutory auditors of NHPC Limited ("the Company") having its registered office at NHPC Office Complex, Sector- 33, Faridabad- 121003 (" the Transferee Company"), have been requested by the Company to provide a certificate that the accounting treatment proposed in Para 14 of Section IV of the proposed Scheme of arrangement between Lanco Teesta Hydro Power Limited ("Transferor Company") and the Company and their respective shareholders and Creditors for amalgamation of Transferor Company with the Company with effect from April 01, 2022 ("the Scheme") proposed to be filed before Ministry of Corporate Affairs ("MCA") or such other authority as may be necessary by the Company is in conformity with the Indian Accounting standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016.

Management's Responsibility for the Statement

3. The preparation of the Scheme and related compliances pertaining to the Scheme with respect to the relevant laws and regulations including the accounting treatment being in accordance with Indian Accounting Standards as aforesaid is the responsibility of the Board of Directors of the Companies involved.
4. The Company's Management is responsible for the designing, implementing and maintaining internal control, policies for the preparation of the books of account and the financial statement of the company ensuring the accuracy and completeness of the accounting records, timely preparation of reliable information as required under Companies Act, 2013, applying an appropriate basis and Ind AS relevant and applicable for preparation of the same.
5. The Company's Management is responsible for ensuring submission of related documents to Ministry of Corporate Affairs ("MCA") or such other authorities as may be necessary and other appropriate authorities in connection with the proposed scheme. This includes formulating and proposing to apply accounting treatment and policies which are in accordance with the prevailing Indian Accounting Standard and practices followed on the matter.

Auditors' Responsibility

6. Our responsibility is to examine relevant clause of the applicable Indian Accounting Standards and report whether the proposed accounting treatments as specified in para



14 of Section IV of the Scheme and as reproduced below is in conformity with the Indian accounting standards applicable in this respect.

Accounting treatment as proposed under para 14 of Section IV of Part C in the Scheme is as follows:

Upon the coming into effect of this scheme and with effect from the appointed date, amalgamation shall be a "Common Control Business Combination", as defined in Appendix C of Indian Accounting Standard 103 for Business Combinations prescribed under Section 133 of the Companies Act 2013. It would interalia include the following:

- a. All assets, liabilities and reserves of the transferor Company which were appearing in the consolidated financial statements of the Group immediately before the merger shall become a part of the separate financial statements of the transferee.
- b. All the assets and liabilities recorded in the books of the Transferor Company shall be recorded by the Transferee Company at the respective book values as reflected in the books of the Transferor Company as on the Appointed Date.
- c. Inter-company balances such as investments in the equity shares of the Transferor Company or loan and advances held inter-se, in their respective books of account, if any, will stand cancelled
- d. The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee Company in the same form in which they appeared in the financial statements of the transferor Company. Accordingly, all the reserves of the Transferor Company under different heads appearing in the consolidated financial statements immediately before the merger shall become the corresponding reserves of the Transferee Company.
- e. No adjustments shall be made to reflect fair values, or recognize any new assets or liabilities. The only adjustments shall be to harmonize accounting policies of the Transferor Company with that of the Transferee Company.
7. We have conducted our examination in accordance with Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

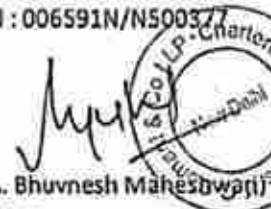


Conclusion

8. Based on our examination of the Scheme and according to the information and explanations given to us, we confirm that the accounting treatment to be followed as specified in the scheme is in accordance with the applicable Indian accounting standards and generally accepted accounting principles in India and as such the treatment so specified is not contrary to the provisions of the applicable Indian Accounting Standards and practices.



Restriction on Use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to filing of the Scheme along with relevant documents with the relevant authorities. Our obligation in respect of this Certificate are entirely separate and our obligation and liability as Auditors are in no way changed or altered by this. Nothing in the Certificate, nor anything said or done in course of or in connection with the services that are subject of this Certificate will extend in duty of care, we may have in our capacity as Auditors of the Company.
10. This Certificate has been issued to enable you to comply with the requirement in connection with the filing of the Scheme as stated above. This Certificate should therefore not to be used for any other purpose or by any person other than the addressees of this certificate. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

<p>For K G Somanl & Co LLP Chartered Accountants FRN : 006591N/N500377</p>  <p>(CA. Bhuvnesh Maheshwari) Partner M. No.088155 UDIN:22088155AKKLD01032</p>	<p>For Chaturvedi & Co. Chartered Accountants FRN: 302137E</p>  <p>(CA. R. K. Nanda) Partner M. No. 510574 UDIN: 22510574AKKTUT5557</p>	<p>For P C Bindal and Co. Chartered Accountants FRN : 003824N</p>  <p>(CA. K. C. Gupta) Partner M. No. 088638 UDIN: 22088638AKKFZV8227</p>
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Place: New Delhi
Date: 07.06.2022

Place: KOLKATA
Date: 07.06.2022

Place: New Delhi
Date: 07.06.2022

Independent Auditors' Certificate**Introduction**

1. We, the statutory auditor of **Lanco Teesta Hydro Power Limited** [A Wholly Subsidiary of NHPC Limited] [CIN U40109TG2000GOI034758] having its registered office at 1-7-37/1, NMDC Quarters, Quarters No. Type IV-1, Opp.Ramanthapur Church, Street No.8 Ramanthapur, Hyderabad, Telangana – 500013 (“ the Transferor Company or the Company”), have been requested by the Company to provide a certificate that the accounting treatment proposed in Para 14 of Section IV of the proposed Scheme of arrangement between NHPC Limited (“Transferee Company”) and the Company and their respective shareholders and Creditors for amalgamation of Transferee Company with the Company with effect from April 01, 2022 (“the Scheme”) proposed to be filed before Ministry of Corporate Affairs (“MCA”) or any other authority by the Company is in conformity with the Indian Accounting standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016.

Management's Responsibility for the Statement

2. The preparation of the Scheme and related compliances pertaining to the Scheme with respect to the relevant laws and regulations including the accounting treatment being in accordance with Indian Accounting Standards as aforesaid is the responsibility of the Board of Directors of the Companies involved.
3. The Company's (“the Transferor Company”) Management is responsible for the designing, implementing and maintaining internal control, policies for the preparation of the books of account and the financial statement of the company ensuring the accuracy and completeness of the accounting records, timely preparation of reliable information as required under Companies Act, 2013, applying an appropriate basis and Ind AS relevant and applicable for preparation of the same.
4. The Company's (“the Transferor Company”) Management is responsible for ensuring submission of related documents to Ministry of Corporate Affairs (MCA) and other appropriate authorities in connection with the proposed scheme. This includes formulating and proposing to apply accounting treatment and policies which are in accordance with the prevailing Indian Accounting Standard and practices followed on the matter.

Auditors' Responsibility

5. Our responsibility is to examine relevant clause of the applicable Indian Accounting Standards and report whether the proposed accounting treatments as specified in para 14 of Section IV of the Scheme and as reproduced below is in conformity with the Indian accounting standards applicable in this respect.

KGRS & CO

Accounting treatment as proposed under para 14 of Section IV of Part C in the Scheme is as follows:

- Upon the coming in to effect of this scheme and with effect from the appointed date, amalgamation shall be a "Common Control Business Combination", as defined in Appendix C of Indian Accounting Standard 103 for Business Combinations prescribed under Section 133 of the Companies Act 2013. It would inter alia include the following:

(a) All assets, liabilities and reserves of the transferor Company which were appearing in the consolidated financial statements of the Group immediately before the merger shall become a part of the separate financial statements of the transferee.

(b) All the assets and liabilities recorded in the books of the Transferor Company shall be recorded by the Transferee Company at the respective book values as reflected in the books of the Transferor Company as on the Appointed Date.

(c) Inter-company balances such as investments in the equity shares of the Transferor Company or loan and advances held inter-se, in their respective books of account, if any, will stand cancelled.

(d) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee Company in the same form in which they appeared in the financial statements of the transferor Company. Accordingly, all the reserves of the Transferor Company under different heads appearing in the consolidated financial statements immediately before the merger shall become the corresponding reserves of the Transferee Company.

(e) No adjustments shall be made to reflect fair values, or recognize any new assets or liabilities. The only adjustments shall be to harmonize accounting policies of the Transferor Company with that of the Transferee Company.

6. We have conducted our examination in accordance with Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

7. Based on our examination of the Scheme and according to the information and explanations given to us, we confirm that the accounting treatment to be followed as specified in the scheme is in accordance with the applicable Indian accounting standards and generally accepted accounting principles in India and as such the treatment so specified is not contrary to the provisions of the applicable Indian Accounting Standards and practices.

KGRS & CO

Restriction on Use

8. Our work was performed solely to assist you in meeting your responsibilities in relation to filing of the Scheme along with relevant documents with the relevant authorities. Our obligation in respect of this Certificate is entirely separate and our obligation and liability as Auditors are in no way changed or altered by this. Nothing in the Certificate, nor anything said or done in course of or in connection with the services that are subject of this Certificate will extend in duty of care, we may have in our capacity as Auditors of the Company.
9. This Certificate has been issued to enable you to comply with the requirement in connection with the filing of the Scheme as stated above. This Certificate should therefore not to be used for any other purpose or by any person other than the addressees of this certificate. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For and on behalf of
KGRS & Co.
Chartered Accountants
Firm Registration No. 310014E

DASGUPTA Digitally signed by
PAROMITA DASGUPTA PAROMITA
Date: 2022.06.16
16:14:16 +05'30'

(P. Dasgupta)
Partner
Membership No. 303801
UDIN: 22303801ALAXDX5869

Place: Kolkata
Date: June 16, 2022

Ref: KGRS/3760/22-23

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